

Supreme Court of the United States

To the Honorable Justices of the Supreme Court of the
United States:

Your petitioner, Henry A. Cleland, of the City of Detroit, in the Eastern District of Michigan, respectfully prays leave to file the within and annexed petition for a writ of mandamus to require the Honorable Henry H. Swan, United States district judge for the Eastern District of Michigan, sitting as judge of the Circuit Court of the United States for the Eastern District of Michigan, in equity, to proceed no further in a certain cause pending in said Circuit Court entitled Edward W. Bishop against Michigan Savings & Loan Association, but to dismiss the same for the reason that it appears from the records of the Circuit Court that said cause does not and did not at the time it was commenced really and substantially involve a dispute or controversy properly within the jurisdiction of said Circuit Court in that the parties to said cause were improperly and collusively made and joined for the purpose of creating a cause cognizable under the Acts of Congress.

And your petitioner will ever pray, etc.

PAUL B. MOODY,
Attorney for Petitioner.

HENRY A. CLELAND,
Petitioner.

By PAUL B. MOODY,
Attorney.

Business address: 1424 Ford Building, Detroit, Mich.

IN THE SUPREME COURT OF THE UNITED STATES

To the Honorable Justices of the Supreme Court of the United States:

Your petitioner, Henry A. Cleland, respectfully represents:

1. That he is a citizen of the United States and a citizen and resident of the State of Michigan, residing in the City of Detroit in the Eastern District of Michigan, of full age.

2. That on or about March 30, 1901, one Edward W. Bishop, a citizen of the State of Indiana, filed in the Circuit Court of the United States for the Eastern District of Michigan in equity, his bill of complaint against the Michigan Savings & Loan Association, a corporation organized under the laws of the State of Michigan, and George Lord, a citizen of said State of Michigan, alleging that said complainant was a shareholder in said Association holding stock to the par value of \$2,000 and upwards, and praying that a receiver be appointed and the affairs of the said Association wound up, the assets of said Association being stated in such bill of complaint as amounting to \$622,344.77, a copy of which bill of complaint is hereto attached and marked Exhibit 1; and it being further stated therein that the said George Lord, as chief of the Building and Loan division, acting for the secretary of state of the State of Michigan, claimed to be in possession of the office books and assets of said corporation in pursuance of the provisions of the statutes of the State of Michigan.

3. That thereafter on to-wit: April 11, 1901, there was filed in the name of said Michigan Savings & Loan Association an answer signed by the vice president, Thomas F. Hancock, admitting that complainant was a shareholder of said Association and consenting to the appointment of a receiver therefor and on the same date an answer was filed in behalf of said defendant, George Lord, admitting the allegations of the bill of complaint and consenting to the appointment of a receiver, copies of which several answers are hereto attached and marked respectively Exhibits 2 and 3.

4. That thereupon an order was entered appointing one Ralph L. Aldrich as receiver of said Association and directing him to take possession of all the assets of said Association and collect and reduce the same to cash, a copy of which order of appointment is hereto attached and marked Exhibit 4.

5. That said receiver in accordance with said last named order took possession of the assets and affairs of said Association and proceeded to collect and reduce the same to cash and remained in possession of same until about October 23, 1906, when Matthew B. Whittelsey was appointed co-receiver and directed to take possession and control of all the assets of said Association, said Matthew B. Whittelsey having in his hands at this time about \$65,000 as the result of the liquidation of the affairs of said Association.

6. That on to-wit: April 23, 1902, an order was entered in said cause of Edward W. Bishop vs. Michigan Savings & Loan Association and George Lord, requiring that all persons who claimed that they were interested in the distribution of its assets as creditors or stockholders, should make proof of their claims before Walter S. Harsha, Esq., as special master, to whom it was referred to take such proofs and report upon the same, a copy of which order is hereto attached and marked Exhibit 5. That in pursuance of such order within the time limited therein, on to-wit: May 29, 1902, your petitioner filed with said special master due proof of his claim as a stockholder showing that he was a shareholder of said Michigan Savings & Loan Association holding twenty shares of its full paid stock of the par value of \$2,000, and on or about June 24, 1905, said special master made a report to said Circuit Court of the amounts due stockholders, in which said report was included the claim of your petitioner in the sum of \$2,000.00.

7. That on to-wit: December 5, 1905, your petitioner, together with R. H. Osborne and upwards of seventy-five other stockholders in said Association, filed in said Circuit Court their petition for the removal of the Receiver Aldrich, for an accounting, and for the closing up of the affairs of the Association. And thereupon on said last mentioned date an order was entered directing said receiver to answer said petition and referring the same to Walter S. Harsha, Esq., as special master, copies of which petition and order are hereto attached and marked respectively Exhibits 6 and 7. That said receiver filed an answer to said petition; that hearings were had upon said petition before said spe-

cial master and in connection therewith on March 9, 1906, your petitioner and the said R. H. Osborne and other stockholders, filed a petition in said Circuit Court to compel said receiver to testify, a copy of which last named petition is hereto attached and marked Exhibit 8, which petition on March 12, 1906, was duly argued and submitted to said Circuit Court. That thereafter the report of said Receiver Aldrich coming on to be heard before Walter S. Harsha, Esq., as special master, Messrs. Mertz & Renaud, the solicitors for said last named petitioners who were present representing them, were notified of such hearing and appeared and cross-examined said receiver, hearings being had during the months of June, July and August, 1906, and thereafter on October 15, 1906, said special master reported that from the examination of said solicitors it appeared that serious omissions were disclosed in said report and therefore the master recommended that said receiver be required to file a corrected report, and on the same date an order was entered authorizing a corrected report by said receiver, which corrected report, together with the resignation of said Receiver Aldrich, was filed October 16, 1906.

8. That on to-wit: October 23, 1906, your petitioner, together with the said R. H. Osborne and the other stockholders above mentioned, filed their petition in said court for the appointment of a co-receiver and on the same date an order was entered upon said petition appointing one Matthew B. Whittelsey as co-receiver for said Association, who was directed to receive from said Receiver Aldrich all the property and assets of said Association, copies of which last named petition and order thereon are hereto attached and marked respectively Exhibits 9 and 10.

9. That on to-wit: October 24, 1906, your petitioner, together with the said R. H. Osborne and the other stockholders above mentioned, filed a petition in said Circuit Court asking that an accountant be employed; that on October 30, 1906, on reading and filing such last named petition, an order was entered authorizing the employment of an accountant, copy of which order thereon is hereto attached and marked Exhibit 11.

10. That further proceedings were had upon the report of said Receiver Aldrich, at which Messrs. Mertz & Renaud, the solicitors for said last named petitioners, appeared and cross-examined said Receiver Aldrich, and on May 3rd, 1907, said special master, Walter S. Harsha, filed his report upon the final report of said Receiver Aldrich "in continuation of the investigation of the receivers and the receivers' reports and of the petition for the removal of the

receivers," in which said master reported "aided by Mertz & Renaud, attorneys for the petitioning creditors, it was made to appear to me that the receivership of Mr. Aldrich was not without great faults, in fact, I may say that these faults in many cases were instances of gross negligence."

11. On to-wit: October 8th, 1907, an amended order for the appointment of said co-receiver Whittelsey was entered in said cause, such order being based upon "the petition of R. H. Osborne and more than seventy-nine other stockholders for the appointment of a co-receiver."

12. That during the administration of the affairs of said Association by said Receiver Aldrich and said Co-Receiver Whittelsey, a large number of proceedings were had in connection with the assets of said Association. The debts of said Association, aside from the interests of stockholders therein, were paid with the exception of a disputed claim of the Rochester Savings & Loan Association, a corporation in the State of New York, for about \$3,000.00, which claim is still pending.

13. That on January 21, 1909, Theodore Young, John Taylor, James E. Howard, of Detroit, Michigan, and William C. Koehn and Charles Cone, of Adrian, Michigan, in the name of the Michigan Savings & Loan Association and as directors of said Association, filed their petition in said Circuit Court for leave to intervene for the purpose of filing a petition thereto attached, showing that the jurisdiction of said Circuit Court had been improperly and collusively obtained and that the cause was not within the jurisdiction of said Circuit Court, that it was not a cause cognizable by said court under the Acts of Congress and requesting that said cause be dismissed, and the assets delivered to the officers of said Association or to such person as might be designated as receiver by the Circuit Court for the County of Wayne, in the State of Michigan, it being set forth in said petition that such directors had upon the 16th day of January, 1909, filed a petition in accordance with the provisions of Chapter 300, of the Compiled Laws of the State of Michigan, 1897, in the Circuit Court for the County of Wayne, in chancery, praying for the dissolution of the corporation and for the appointment of a receiver with authority to apply to the said Circuit Court of the United States for the Eastern District of Michigan for the property and assets of said Association. That thereupon on said 21st day of January, 1909, an order was entered requiring Receiver Matthew B. Whittelsey to show cause on February 1st, 1909, why the prayer of said petitioners should not be granted, copies of which petition and order

are hereto attached and marked respectively Exhibits 12 and 13.

14. That on January 23rd, 1909, Ralph L. Aldrich and Matthew B. Whittelsey, as receivers of said Association, filed their petition in said Circuit Court against the said Theodore Young, John Taylor, James E. Howard, William C. Koehn and Charles Cone, and against George W. Moore, their solicitor; Messrs. William M. Mertz, Frank N. Renaud and Clarke E. Baldwin, solicitors, setting forth that the said Theodore Young, John Taylor, William C. Koehn, James E. Howard and Charles Cone had filed a petition in the Circuit Court for the County of Wayne for the dissolution of the Michigan Savings & Loan Association and for the appointment of a receiver; that said George W. Moore acted as their solicitor, and said William M. Mertz and Frank N. Renaud, representing one hundred and sixty-five stockholders of said Association, and said Clarke E. Baldwin representing twenty-eight stockholders of said Association, had joined in the request for an appointment of a receiver in order to bring the jurisdictional question to the attention of the Circuit Court of the United States, and said receivers prayed that such proceeding in said state court be enjoined and that the defendants named in said petition be punished for contempt of said Circuit Court for the United States for taking such proceeding, whereupon on said last mentioned date an order was entered in said Circuit Court of the United States enjoining such proceedings in said state court and ordering the defendants named in said petition to show cause why they should not be punished for contempt for taking such proceedings.

15. That on January 25, 1909, an ex-parte order was entered in said Circuit Court based upon the petition of said receivers striking from the files the petition of Theodore Young et al., filed January 21st, 1909, and vacating the order of January 21, 1909, thereon. That on February 8, 1909, hearing was had upon the petition of said receivers, answers being filed by all the defendants named therein and the matter of the contempt proceedings was referred to Walter S. Harsha, Esq., as special master, copy of which order is hereto attached and marked Exhibit 14.

16. That thereafter on February 15, 1909, there was filed in said Circuit Court the deposition of the complainant Edward W. Bishop, taken in said contempt proceedings in said cause in behalf of said receivers, from which it appeared that the said Bishop was not a bona fide stockholder of said Association when he filed the bill of complaint therein, but that stock had been issued to him by

the officers of the Association without consideration to qualify him to file a bill so that action could be brought in a Federal Court and so that his friend, Ralph L. Aldrich, could be appointed receiver of said Association, a copy of which deposition so far as the same relates to his qualifications as a stockholder of said Association, is hereto attached and marked Exhibit 15.

17. That in said petition of said receivers for contempt heretofore mentioned; the said receivers averred "said Bishop was appealed to because he was an old acquaintance of the said Aldrich, easily accessible and more readily reached than any other non-resident stockholder and for that purpose was qualified by the issuance of said certificate to him."

18. That on or about January 16, 1909, the deposition of said Ralph L. Aldrich was taken before Walter S. Harsha, Esq., clerk of said court as special master and examiner, in a cause ancillary to the cause of Edward W. Bishop against Michigan Savings & Loan Association, being a cause entitled Ralph L. Aldrich, receiver, against John E. Clark, et al., which deposition was filed on or about July 2nd, 1909, from which deposition it appears that said Aldrich had been acting as counsel for the Association for about a year prior to the filing of the bill of complaint; that Edward W. Bishop consented to sign the bill of complaint at his request; that he knew at the time said Bishop was not a holder of the stock on which he had paid \$2,000.00 as set forth in said bill; that Bishop paid no consideration therefor; that these proceedings were taken for the purpose of getting into the United States court and getting himself appointed receiver; that he could not remember whether he gave Mr. Bishop an indemnity in writing against any possible expense or cost or liability for filing the bill of complaint, but he had no doubt he would have done so if said Bishop had asked him to, a copy of which testimony, so far as it refers to the said Bishop, is hereto attached and marked Exhibit 16.

(18a. That the deposition of George Lord was taken before the said Walter S. Harsha, Esq., in the same ancillary cause on or about January 26, 1909, which deposition was duly filed therein on or about July 2nd, 1909, from which deposition it appeared that at the time of the filing of the bill of complaint in said cause of Edward W. Bishop vs. Michigan Savings & Loan Association and for a number of days prior thereto, he had been in charge of said Association and was representing the secretary of state of the State of Michigan. That he had gone to ex-

amine the Association in accordance with the statute of the State of Michigan and found the same insolvent; that he conferred with the directors and told them that the department of state would have to proceed under the statute of the State of Michigan and call a special meeting of the shareholders for the purpose of electing a conservator. That he stopped them from doing business and took charge of the office; that he understood they had somebody to file a bill in the United States Court and because he was about through with his examination and would have to make immediate report, whereupon the statutory proceedings for the election of a conservator would have to be taken, the proceedings to have a receiver appointed were hurried before his report should have to be made, a copy of which deposition so far as the same refers to matters above set forth is hereto attached and marked Exhibit 17.

19. That the deposition of Thomas F. Hancock was taken before said Walter S. Harsha, Esq., in the same ancillary cause on or about January 26th, 1909, and filed in said cause on or about July 2nd, 1909, from which deposition it appears that said George Lord had been in charge of the Association several days before the filing of the bill of complaint; that Mr. Aldrich was the only one that he recalled as being an attorney for the Association at that time; that he did not himself make up the answer which he signed for said Association, but believed the same was handed to him by Mr. Aldrich; that he did not himself employ counsel to represent the Association; that he did not recall that there was any meeting of the board of directors authorizing such employment, but that to the best of his recollection such counsel was employed by Mr. Aldrich; that it was through Mr. Aldrich that Mr. Conely was employed to file the bill of complaint; that he was in Mr. Conely's office at one time with Mr. Aldrich, and that he came over to the United States Court with Mr. Aldrich for the purpose of naming Mr. Aldrich as receiver for said Association, copy of which deposition so far as the same refers to matters above mentioned, is hereto attached and marked Exhibit 18.

20. That on March 16, 1909, the petition of Henry A. Cleland was presented to the Honorable Henry H. Swan, sitting as judge of said Circuit Court, copy of which petition is hereto attached and marked Exhibit 19. That said petition was taken and held under advisement by the court until March 30, 1909, when the said petition, together with an order setting the same for hearing April 19, 1909, was returned to the solicitor for your petitioner, who there-

upon filed the same, copy of which order is hereto attached and marked Exhibit 20. That the time for hearing and time for the receivers to answer your petitioner's petition was from time to time extended at the request of their counsel, but that no answer was ever filed thereto.

21. That on June 17, 1909, counsel for said receivers filed a motion to strike your petitioner's petition from the files which said motion came on to be heard and was duly argued and submitted July 12, 1909, argument at the same time being had upon the merits of your petitioner's petition. That on July 14th, 1909, on motion of said receivers, an ex-parte order was entered staying proceedings upon the petition of your petitioner.

22. That on January 17th, 1910, no decision having yet been reached upon the petition of your petitioner, a motion was made in his behalf for a stay of all proceedings in said cause or connected therewith until the decision upon such petition.

23. That on January 22nd, 1910, an order was entered denying the petition of your petitioner, and a further order was entered denying the motion of your petitioner for stay of proceedings, copies of which orders are hereto attached and marked Exhibits 21 and 22.

24. That an inventory was filed by said receiver, Aldrich, shortly after his appointment, showing assets to the amount of \$321,000; that from time to time reports have been filed by said receivers in said cause, from which reports it appears that said receivers have collected from said assets over \$170,000 from which there has been expended for payment of debts of said Association about \$50,000, there being left about \$65,000 in the hands of Co-receiver Whittelsey at this time. That there is now and since June 30th, 1903, has been pending in said Circuit Court a suit in equity by Receiver Ralph L. Aldrich against some six hundred former stockholders and officers of said Michigan Savings & Loan Association, that there is also pending a claim on the part of the Rochester Savings & Loan Association against said Michigan Savings & Loan Association, that the contempt proceedings heretofore mentioned are still pending and undetermined in said court; that very recently the claims of some of the stockholders of said Association (not including the claim of your petitioner) were re-referred to a special master to pass upon the objections thereto on the part of said Co-receiver Whittelsey, a portion of which claims on re-reference are still pending. That there is pending a petition on the part of counsel for said receivers for compensation

on account for his services in the sum of \$17,500 or thereabouts, in addition to sums heretofore paid to him. That all of said proceedings are being prosecuted at a large expense to the funds of said Association.

25. That upon the hearing upon the petition of counsel for said receivers for compensation, a written objection was filed on behalf of certain other stockholders of said Association based upon the facts as to the collusive manner of invoking the jurisdiction of the Circuit Court set up in this petition, which said objection upon the motion of said counsel for the receivers was by the court ordered stricken from the files, copies of which objections and order are hereto attached and marked Exhibit 23 and 24.

26. That your petitioner is advised that he cannot appeal from the order denying his petition for dismissal of said cause as the same is not a final order. And your petitioner shows that except this court issue a writ of mandamus he will be without remedy inasmuch as a large amount of litigation must be had involving long delay and great expense to the funds of said Association, and to the rights of your petitioner therein, before the order denying petition of your petitioner can be reviewed on appeal from final decree.

Wherefore your petitioner prays:

(a) That a writ of mandamus issue out of this honorable court commanding the honorable Henry H. Swan, United States district judge for the Eastern District of Michigan, sitting in the Circuit Court of the United States for said Eastern District of Michigan, to set aside the order heretofore entered by him denying your petitioner's petition and to proceed no further in said cause of Edward W. Bishop vs. Michigan Savings & Loan Association, but to dismiss the same and to turn over all of its assets to the persons entitled thereto.

(b) That a rule to show cause be entered by this Honorable Court directing the Honorable Henry H. Swan, United States district judge for the Eastern district of Michigan, sitting in the Circuit Court of the United States for the Eastern District of Michigan, to show cause why a writ of mandamus should not issue as above prayed for.

And your petitioner further prays that this Honorable Court will order a stay of all proceedings in said cause entitled Edward W. Bishop against Michigan Savings & Loan Association and connected therewith pending the

determination by this court upon the matter herein set forth.

And your petitioner will ever pray, etc.

HENRY A. CLELAND,
Petitioner.

EASTERN DISTRICT OF MICHIGAN,
COUNTY OF WAYNE—SS:

Paul B. Moody, being first duly sworn, deposes and says that he is the agent and solicitor for the above named petitioner, Henry A. Cleland; that he is familiar with the facts set forth in said petition and that the matters therein set forth are true in substance and in fact.

PAUL B. MOODY.

Subscribed and sworn to before me this 8th day of February, 1910.

JULIAN DICKINSON,
Notary Public, Wayne Co., Mich.

My commission expires January 17, 1914.

EASTERN DISTRICT OF MICHIGAN,
COUNTY OF WAYNE—SS.

Henry A. Cleland, being duly sworn, says that he has caused a careful investigation of the records in the above entitled cause to be made; that the facts set forth in the foregoing petition signed by him and the matters therein set forth are to the best knowledge and information of petitioner true in substance and in fact.

HENRY A. CLELAND.

Subscribed and sworn to before me this 8th day of February, 1910.

JULIAN DICKINSON,
Notary Public, Wayne Co., Mich.

My commission expires January 17, 1914.

EXHIBIT 1.

BILL OF COMPLAINT.

To the Judges of the Circuit Court of the United States,
for the Eastern District of Michigan, Southern Division. In Equity.

Edward W. Bishop of the city of Muncie and a citizen of the State of Indiana brings this his bill against the Michigan Savings and Loan Association and a citizen of the State of Michigan, and George Lord of Lansing, Michigan and a citizen of said State of Michigan.

And thereupon your orator complains and says that he is a shareholder in the Michigan Savings and Loan Association, of Detroit, Michigan, a corporation organized and existing under and by virtue of the laws of the State of Michigan, and having its principal office in the city of Detroit, County of Wayne and State of Michigan; that said corporation is a mutual building and loan association, organized, according to its articles of association, for the purpose of affording its members a safe and profitable investment for their savings and to aid them in the purchase and improvement of real estate. Complainant further alleges that he is the owner of shares of stock in said corporation of the par value of two thousand dollars (\$2,000) and upwards; that the last statement of said corporation, dated July 1, 1900, made by said corporation to the Secretary of State showed its total assets to be \$622,344.77, and liabilities the same. Complainant further alleges that said corporation had a large amount of money loaned on real estate at Galveston, Texas, and owned a large amount of real estate in said last named city; that since the rendering of the statement above referred to all of the buildings on the lands either owned by or mortgaged to said corporation at Galveston, Texas, were swept away and utterly destroyed, and that the losses sustained by said corporation in the city of Galveston have so impaired its assets that it will be unable to profitably continue its business. Complainant further alleges upon information and belief that owing to the the large amount of stock that has been withdrawn from defendant corporation during the past two years it has

been unable to make any new loans, and that its earning capacity is so diminished that the net earnings of said corporation are not sufficient to pay the expenses of carrying on its business. Complainant further alleges that the by-laws of defendant corporation provide for a Board of Directors consisting of seven members, and that since November, 1900, said corporation has been managed by but three directors; that said corporation in carrying on its business and for the purpose of paying off withdrawing shareholders has borrowed large sums of money, without authority of law, and to secure the repayment of such loans has hypothecated certain of its securities; that said corporation has shareholders or assets in the States of Michigan, Indiana, Pennsylvania, Texas, North Dakota, Arkansas and Wyoming, and that the interests of its shareholders demand that a receiver be appointed to conserve the assets and wind up the affairs of said corporation; that George Lord, Chief of the Building and Loan Division in the office of the Secretary of State of the State of Michigan, acting for said Secretary of State, claims to be in possession of the office, books and assets of said corporation in pursuance of the provisions of the laws of the State of Michigan, and is made a party defendant to this bill of complaint. All which actings, doings and pretenses of the said defendants are contrary to equity and good conscience and tend to the manifest wrong, injury and oppression of your orator in the premises. In consideration whereof, and forasmuch as your orator is entirely remediless in the premises according to the strict rules of the Common Law, and can only have relief in a court of Equity where matters of this nature are properly cognizable and relievable; To the end therefore that the said defendants may, if they can, show why your orator should not have the relief hereby prayed and may, without oath, an answer under oath being hereby waived, full, true, direct and perfect answer make to all and singular the premises, and that as fully and particularly as if they were particularly interrogated thereto and that a receiver of said defendant corporation may be appointed and that your orator may have such other and further relief in the premises as the nature of the case may require.

May it please the court to grant unto your orator the most gracious writ of subpoena of the United States of America, to be directed to the said Michigan Savings and Loan Association and to said George Lord, thereby commanding them and each of them at a certain day and under a certain penalty to be therein specified, personally

to be and appear before your honors in this Honorable Court and then and there to answer all and singular the premises and to stand to and abide such order and decree therein as to your honors shall seem meet and as shall be agreeable to equity and good conscience, and your orator will ever pray.

EDWARD W. BISHOP.

State of Indiana, County of Delaware—ss.

Edward W. Bishop being duly sworn says that he has heard read the foregoing bill of complaint by him subscribed and knows the contents thereof, that the same is true of his own knowledge except as to those matters therein stated to be upon his information and belief and as to those matters he believes it to be true.

EDWARD W. BISHOP.

Subscribed and sworn to before me this 27th day of March, A. D. 1901.

JOHN J. HARTLEY,

(Seal) Notary Public, Delaware County, Indiana.

My notarial commission expires February 6, 1903.

Filed in clerk's office, March 30, 1901.

WALTER S. HARSHA, Clerk.

EXHIBIT 2.

ANSWER OF MICHIGAN SAVINGS AND LOAN ASSOCIATION.

UNITED STATES OF AMERICA.

In the Circuit Court of the United States for the Eastern District of Michigan, Southern Division. In Equity.

(Title of Cause.)

The answer of the Michigan Savings and Loan Association, a Michigan corporation, one of the defendants in the above entitled suit to the Bill of Complaint filed therein.

First: This defendant admits that it is a mutual building and loan association, organized under and by virtue of the laws of the State of Michigan; that its principal office is in the city of Detroit, State of Michigan, and that it is a citizen of the State of Michigan. This defendant admits that complainant is one of its shareholders and that he is a resident and citizen of the State of Indiana.

Second: This defendant avers that its assets according to its books are in the neighborhood of four hundred thousand (\$400,000) dollars and liabilities the same, but that owing to its losses in the city of Galveston through the flood which occurred on or about the ninth (9th) day of September, 1900, and owing further to certain adverse court decisions in the State of Texas, its assets will probably not realize the sum at which they stand on its books. This defendant further avers that it conducted a large and profitable business up to the time of the maturity of its first series of stock and that since that time the withdrawals of stock have been so large that it has been unable to make any new loans and its earning capacity has gradually diminished. This defendant admits that owing to the reasons above stated it would undoubtedly be unprofitable to its shareholders to further prosecute its business. This defendant denies that for some time past only three of its directors have taken any active interest in the conduct of the corporation and avers that it has always had a quorum of its directors for the transaction of business.

Third: This defendant admits that it has borrowed certain sums of money for the purpose of paying off its withdrawing shareholders and that it has hypothecated certain of its securities for the purpose of securing the repayment of such loans, but this defendant avers that it has the lawful right to borrow money to be used to further the ends of its incorporation and that the loans referred to were for that purpose and were duly authorized by resolution of its Board of Directors.

Fourth: This defendant admits that it has shareholders or assets in the States of Michigan, Indiana, Pennsylvania, Texas, South Dakota, Arkansas and Wyoming, and avers that it has altogether in these various states in the neighborhood of one thousand shareholders and further avers that in the opinion of this defendant the affairs of the corporation should in the interests of its shareholders be immediately wound up and liquidated and that such liquidation can be accomplished more quickly and economically through a receiver to be appointed by this honorable court than in any other manner.

THE MICHIGAN SAVINGS LOAN ASSOCIATION.

Thomas F. Hancock, Vice-President.

DEFOREST PAINE,

Solicitor and of Counsel for Michigan Savings
Loan Association.

Filed in the clerk's office April 11, 1901.

WALTER S. HARSHA, Clerk.

EXHIBIT 3.

ANSWER OF GEORGE H. LORD.

UNITED STATES OF AMERICA.

In the Circuit Court of the United States for the Eastern District of Michigan, Southern Division, In Equity.

(Title of Cause.)

The answer of George Lord, one of the defendants in the above entitled suit to the Bill of Complaint filed therein:

The said defendant admits that the matters stated in said bill of complaint are true in fact according to the best of defendants' information and belief.

He admits that as chief of the Building and Loan Division in the office of the Secretary of State of the State of Michigan he has been and still is engaged in an examination of the affairs of said Michigan Savings and Loan Association, and that the investigation has developed that said Company is insolvent, and that a receiver should be appointed according to the prayer of said Bill of Complaint.

GEORGE LORD.

HORACE M. OREN,

Attorney General of the State of Michigan.

Filed in clerk's office, April 11, 1901.

WALTER S. HARSHA, Clerk.

MOTION FOR APPOINTMENT OF RECEIVER.

In the Circuit Court of the United States for the Eastern District of Michigan, Southern Division. In Equity.

(Title of Cause.)

Now comes the said complainant and moves for the appointment of a receiver in this cause with general powers and duties as such.

This motion is based on the bill and answer filed in this cause.

Dated April 11, 1901.

JOHN D. CONELY,

Solicitor for Complainant.

Business address: 46 Newberry Bldg., Detroit, Mich.

Filed in clerk's office April 11, 1901.

WALTER S. HARSHA, Clerk.

EXHIBIT 4.

ORDER APPOINTING RECEIVER.

In the Circuit Court of the United States for the Eastern District of Michigan, Southern Division. In Equity.

(Title of Cause.)

Upon reading and considering the bill of complaint and answers filed by each of said defendants and on motion of John D. Conely, Esquire, solicitor for said complainant; DeForest Paine, solicitor for the defendant company, being present and consenting thereto, and Horace M. Oren, attorney general, and solicitor for the defendant George Lord, also being present and consenting thereto, it is ordered, adjudged and decreed that Ralph L. Aldrich be and he is hereby appointed Receiver in the above entitled cause and as such Receiver is directed to take possession of all the property, rights, securities, moneys, books, choses in action, and assets of the defendant, the Michigan Savings and Loan Association of every character without prejudice to the claims of De Forest Paine for reasonable counsel fees for services to said defendant in this cause, and that he is hereby directed to at once collect and reduce to cash the said assets and to that end upon being directed or permitted by the court to bring such suits as may be necessary to collect the same and that said defendants, its officers, and directors, agents, employees, shareholders and all other persons in whose hands any of the property or assets of said defendant, The Michigan Savings and Loan Association may be found, are required to immediately deliver possession of such assets to said Receiver and each and all of said persons are hereby restrained from interfering with the possession of said Receiver or in any manner disturbing him in the due and orderly administration of said estate; and it is further ordered that all persons having interest in or demands upon said defendant, the Michigan Savings and Loan Association, its property and assets, may and shall return the same in this court and in this cause, and that all such persons are hereby enjoined from instituting or prosecuting any suits upon any cause of action except in this cause.

And it is further ordered that said Receiver, before entering upon the duties of his office, take and file with the clerk, an oath to faithfully perform the duties there-

of, and also file with the clerk, a bond, with sufficient surety, to be approved by the clerk of this court in the sum of twenty-five thousand (\$25,000) dollars, conditioned for the faithful performance of such duties.

It is also hereby ordered, adjudged and decreed that said Receiver be and he is hereby directed to make and file in this court at least once in three months after entering upon the duties of his office, a full report of his doings as such Receiver.

EXHIBIT 5.

In the Circuit Court of the United States for the Eastern District of Michigan, Southern Division, In Equity.

At a session of said court continued and held pursuant to adjournment at the District Courtroom in the City of Detroit, Michigan, on the 23d day of April in the year one thousand nine hundred and two.

Present, Honorable Henry H. Swan, District Judge.
(Title of Cause.)

On motion of De Forest Paine, solicitor for Ralph L. Aldrich, Receiver of the Michigan Savings & Loan Association, and after consideration.

Ordered that all persons who claim that said Association is indebted to them or that they are interested in the distribution of its assets, as creditors or stockholders (except such as have intervened in this cause) make proof of said claims under oath on or before November 1st, 1903, before Walter S. Harsha, Special Master, to whom it is referred to take such proofs and report upon the same. Notice of this order shall be given by publishing the same daily for six successive weeks in the Detroit Free Press, a newspaper printed and published in the County of Wayne in said State.

It is further ordered that said receiver or any person interested may contest such claims or any thereof, before said Special Master on or before November 1st, 1909, on filing proper notice of his objections thereto with said Walter S. Harsha, Special Master.

HENRY H. SWAN,
District Judge.

Detroit, April 23, 1902.

I think the above order a proper one to be entered.

JOHN B. CONELY,
Solicitor for Complainant.

EXHIBIT 6.

In the Circuit Court of the United States for the Eastern
District of Michigan, Southern Division, In Equity.
(Title of Cause.)

To the Circuit Court of the United States for the Eastern
District of Michigan, Southern Division, In Chancery:

Your Petitioners, R. H. Osborn, Henry A. Cleland,
Frank D. Andrus, Charles H. Richards, Edward P.
McGrann, Elizabeth McRoberts, Ward Mc Cauley, George
R. Beamer, Thomas T. Leete, Jr., John Taylor, Fanny
H. Wingert, W. H. Littell, Kate P. Savingy, Theodore
Young, Mrs. Jennie Sterling, David H. Bresee, Matilda
Fauser, Administratrix of Estate of Anne Fauser, de-
ceased, Ernestine Rosenthaler, R. W. Armstrong, Rosalie
Siegel, Joseph Siegel, Theopielus Dysarz, A. W. Bather,
Alex Lemke, John A. Bohlen, Martin Kulwicki, J. Frank
Strzyzewski, August Stieber, Joseph Goike, Thomas
Flower, Jr., Melville A. Cowles, Cyrus W. Purdon, Sarah
A. Purdon, guardian of Frank Purdon, minor; Mrs. Wm.
McLaws, Esther Scholes, Renselaer C. Fuller,.....

.....
of Detroit, Wayne County; Alice J. Van Ness, Mrs. C. J.
Van Ness, of Jonesville, Hillsdale County; Louisa Ehler,
of Houghton, Houghton County; Joseph Kostehnik of
Ewen, Ontonagon County; George Cann of Ishpeming,
Marquette County; Willard C. Messler of Clinton, Len-
awee County; Mrs. L. H. Wagner and Mrs. Mary M.
Martin of Monroe, Monroe County; James T. Bond of
Greenland, Ontonagon County; George Block, Jr. of
Michigamme, Marquette County; A. B. Simonson, John
D. Cuddihy and John D. Cuddihy and August Mette, for
Estate of Edward Ryan, of Calumet, Houghton County;
Mattie Johnston of Sidnaw, Houghton County; Eli Ruelle
of Chassell, Houghton County; Mary Weiss, Regina Weiss
E. T. Strong, Gimbert & Davis, Frank X. Weiss, William
C. Koehn, Frank S. Weiss, Mrs. Adam Baisch, Gertrude
Bowen, Charles M. Cone, Christy Baisch, W. F. Bradley,
Lillian M. Wilcox, C. R. Miller, Henry A. Angell Fanny
P. Hill, Clarinda P. Livesay, B. E. Tobias, Emily Chit-
tenden, Administratrix of Estate of Henry Chittenden,
deceased; Ellen M. Pynchon, James M. Aldrich, S. W.
Anderson, minor, by James M. Aldrich, guardian of Ad-
rian, Lenawee County, all in the State of Michigan;
W. A. Childs of Houston, Harris County, Texas; A. J.

Thomas of Mineral Wells, Palo Pinto County, Texas; Ann M. Rhodehouse of Barnstable, Barnstable County, Massachusetts; Anna E. Briggs of Providence, Providence County, Rhode Island; Luna P. Jesurun of Erwinna, Bucks County, Pennsylvania; Mrs. S. W. Bennett of Wilderwood, Lane County, Oregon; respectfully represent:

I.

That they are shareholders of the Michigan Savings & Loan Association, having claims proven before Walter S. Harsha, Esq., Special Master in the above entitled cause, and that their respective claims upon stock held by them are as set forth in Exhibit "A" which is hereto attached and made a part hereof, which said claims amount in the aggregate to above seventy-seven thousand dollars.

II.

That on or about April 11th, 1901, one Ralph L. Aldrich was appointed by this court Receiver for the purpose of winding up the affairs of said Association, paying its debts and distributing its remaining assets among your petitioners and other shareholders in said Association; and that said Receiver thereupon took possession of the assets of said Association and assumed the administration thereof.

III.

That, although more than FOUR YEARS have elapsed since the appointment of said Receiver, yet the affairs of said Association have not been wound up nor have the greater part of its debts been paid, nor have your petitioners received anything whatever upon their claims as shareholders.

IV.

That said Receiver has not been diligent to collect the assets of said Association and to administer its affairs expeditiously, and with the least expense, so that your petitioners and other shareholders might receive the largest possible dividends upon stock held by them; but on the contrary your petitioners charge that said Receiver has neglected the assets of said Association so that in some cases the same have been altogether wasted and lost; that he has unreasonably delayed closing up the affairs of said Association, and has been guilty of great

extravagance and mismanagement in handling the affairs of said Association.

That the negligence of said Receiver clearly appears in one instance from the affidavit of James K. Reid, Second Vice-President of the Maverick Loan & Trust Company of Hay Springs, Nebraska, which is hereto attached marked Exhibit "B" and made a part hereof, concerning the condition and care taken by said Receiver of the property of Said Michigan Savings & Loan Association at Hay Springs, Nebraska, which shows, your petitioners believe, a fair sample of the attention paid by said Receiver to the property of said Michigan Savings & Loan Association and of the results of his tactics in prolonging his administration of its affairs.

V.

That said Receiver while pretending to devote his entire time and energy to the affairs of said Association has, as your petitioners are informed and believe, during the whole time of his receivership, been the general counsel and attorney for the Standard Savings & Loan Association of Detroit, which has required, as your petitioners are informed and believe, a large part of the time and energy of said Receiver, to the detriment of the affairs of said Michigan Savings & Loan Association.

VI.

That said Receiver filed no report of his doings after November 1st, 1903, until compelled to do so by order of this court upon petition of certain shareholders, and that said report filed on or about June 15th, 1905, shows that said Receiver has been guilty of great extravagance and mismanagement of the affairs of said Association; that the receipts shown in said report amount to \$110,590.78 and the disbursements to \$70,261.12. Of the disbursements but \$33,406.02 was paid out on debts of the Association, AND THE BALANCE OF \$36,855.10 has been spent by said Receiver for *expenses of administration* which include such items as \$2,373.67 for the Receiver's traveling expenses, \$6,000.00 *on account*, for Receiver's services about \$9,600.00 for attorney fees, about \$7,600.00 in court costs, about \$1,200.00 commissions on sales, whereby the funds that belong to your petitioners and other shareholders which were entrusted to said Receiver for the benefit of your petitioners as well as of the creditors of said Association have been dissipated and wasted.

VII.

That said Receiver has involved said Association in useless and expensive litigation; that he has made no effort to have the matters involved in such litigation brought to a speedy determination but has let the same drag with the purpose and intention, as your petitioners believe, of prolonging his administration of the affairs of said Association in order that he and his counsel may derive financial benefit therefrom. That more than two years ago, said Receiver began a suit against some *six hundred* officers and stockholders of said Association to recover money paid out on maturing stock, withdrawals, etc., which said Receiver claimed the Association was not in a condition to pay. The cost of merely printing the bill of complaint and serving subpoenas upon some of the defendants in that case is shown by the report to have been over twelve hundred dollars, besides which there has been a large amount of other court costs in connection with the proceedings against this great number of defendants, the exact amount of which it is impossible to tell from the report as the items are not separated. The question of liability of the stockholders to pay back the funds claimed by said Receiver has been decided adversely to him in this court and, if said suit is permitted to be carried on by said Receiver, your petitioners believe that it will have the result of merely prolonging the administration of said Receiver and of eating up the assets which should be distributed to the stockholders of said Association.

VIII.

That, though there are debts standing against said Association which have been drawing interest during the more than four years that said Receiver has had the matters in his hands, yet he has not paid the same but has permitted interest to accumulate thereon, although upon funds in his hands his report shows no item of interest, so that there has been a large loss to shareholders by reason of said Receiver permitting said interest to accumulate on such debts against the Association, and from holding funds in his hands upon which no interest has been obtained. That some of the debts of said Association which have not been paid by said Receiver are disputed liabilities and are before this court for determination as to their validity, but said Receiver has not made proper efforts to have the same speedily determined but has permitted the same to drag along for

the purpose, as your petitioners believe, of preventing the affairs of said Association from being speedily closed up and his administration thereof terminated.

IX.

That your petitioners are justly apprehensive that, if said Receiver is permitted to continue in the management of the affairs of said Association, it will be two or three years longer before its affairs are closed, and that the whole of the assets of said Association will be absorbed by debts, interest, insurance and taxes, costs of litigation and expenses of administration, so that your petitioners and other shareholders will receive nothing whatever upon the stock held by them.

X.

That said Receiver, as your petitioners are informed and believe, is now and has been during the whole time of his Receivership, the general counsel and attorney for the Standard Savings & Loan Association of Detroit, which corporation is the chief creditor of said Michigan Savings & Loan Association, having a claim of upwards of forty-five thousand dollars upon which it claims priority of payment as respects the claims of your petitioners and other shareholders, the payment of which claim in the interest of all stockholders should be contested and said Receiver is pretending to contest the same but on account of his relations with said creditor, he is not a proper person to represent shareholders or to have charge of a contest against said claim, having an interest adverse to the interests of your petitioner and other shareholders.

XI.

That said receiver in no sense does or at any time has truly represented your petitioners and other shareholders but only his own clients, the Standard Savings & Loan Association.

XII.

Wherefore Your Petitioner Prays:

(a) That said Receiver may be removed.

(b) That some competent, trustworthy and *disinterested* person be appointed by this court to take charge of all the remaining assets, pay the debts, distribute the residue of the proceeds among the stockholders of said Association, and close up the affairs of said Association without further delay.

(c) That said Receiver be required to file a supplementary account of all of his doings since the date of his last account filed on or about June 15th last, and to turn over to said person to be appointed by this court to take charge of the assets and affairs of said Association all the property and assets of said Association now in the hands of said Receiver.

And your petitioner will ever pray, etc.

(Sgd.)

R. H. Osborn,
Frank D. Andrus,
Edward P. McGrann,
Ward McCauley,
Thomas T. Leete, Jr.,
Fanny H. Wingert,
Kate P. Savigy,
Mrs. Jennie Sterling,
Matilda Fauser, Admrx.

Est. of Ann Fauser, deceased.

Ernestine Rosenthaler,
Rosalie Siegel,
Theophielus Dysarz,
Alex Lemkie,
Henry A. Cleland,
Charles H. Richards,
Elizabeth McRoberts,
George R. Beamèr,
John Taylor,
W. H. Littell,
Theodore Young,
David H. Bresee,
R. W. Armstrong,
Joseph Siegel,
A. W. Bather,
John A. Bohlen,
Martin Kulwicki,
August Stieber,
Thomas Flower, Jr.,
Cyrus W. Purdon,
Mrs. Wm. McLaws,

Renselaer C. Fuller,
Mrs. C. J. Van Ness,
Joseph Kostehnik,
William C. Messler,
Mrs. Mary M. Martin,
George Block, Jr.,
John D. Cuddihy,
Mattie Johnson,
W. A. Childus,
Ann M. Rhodehouse,
Luna P. Jeserun,
J. Frank Strzyzewski,
Joseph Goike,
Melville A. Cowles,
Sarah A. Purdon, guardian of Frank Purdon, minor,
Esther Scholes,
Alice J. Van Ness,
Louisa Ehler,
George Cann,
Mrs. L. H. Wagner,
James T. Bond,
A. B. Simonson,
John D. Cuddihy and August Mette for Est. of Edward Ryan,
Eli Ruelle,
A. J. Thomas,
Anna E. Briggs,
Mrs S. W. Bennett,

All of the foregoing by Dalton, Mertz & Renaud, their attorneys in fact, per William M. Mertz.

(Sgd.)

Mary Weiss,
 E. T. Strong,
 Frank X. Weiss,
 Frank S. Weiss,
 Gertrude Bowen,
 Christy Baisch,
 Lillian M. Wilcox,
 Henry A. Angell,
 Clarinda P. Livesay,
 Emily Chittenden, Admx.
 of Estate of Henry
 Chittenden, deceased,
 Ellen M. Pynchon,

James M. Aldrich, as
 guardian of S. W.
 Anderson, a minor,
 Regina Weiss,
 Gimbert & Davis,
 William C. Koehn,
 Mrs. Adam Baisch,
 Charles M. Cone,
 W. F. Bradley,
 C. R. Miller,
 Fanny P. Hill,
 B. E. Tobias,
 James M. Aldrich.

All the foregoing from Mary Weiss, to James M. Aldrich as guardian, by Smith, Baldwin, & Alexander, their attorneys in fact, per Clarke E. Baldwin.

State of Michigan,
 County of Wayne—ss.

WILLIAM M. MERTZ, being first duly sworn, deposes and says that he has read the foregoing petition subscribed by him as attorney in fact for a large number of the above named petitioners; that he knows the contents thereof; and that the same is true except as to matters therein stated on information and belief and as to such matters he believes it to be true.

(Sgd.) WILLIAM MERTZ.

Subscribed and sworn to before me this 21st day of November, 1905.

(Sgd.) GEORGE A. CONDON,
Notary Public,
 Wayne County, Michigan.

My commission expires March 22, 1909.

State of Michigan,
 County of Lenawee—ss.

CLARKE E. BALDWIN, being first duly sworn, deposes and says that he has read the foregoing petition subscribed by him as attorney in fact for a large number of the above named petitioners; that he knows the contents thereof; and that the same is true except as to

matters therein stated to be on informaion and belief and as to such matters he believes it to be true.

(Sgd.) CLARKE E. BALDWIN,

Subscribed and sworn to before me this 27 day of November, 1905.

(Sgd.) LELAND F. BEAN,
Notary Public,

Lenawee County, Michigan.

My commission expires Aug. 9, 1909.

EXHIBIT "A".

Name.	Residence.	Amount.
R. H. Osborn.....	Detroit, Mich.....	\$ 780.00
Henry A. Cleland.....	" "	2,000.00
Frank D. Andrus.....	" "	1,000.00
Charles H. Richards....	" "	100.00
Edward P. McGrann....	" "	240.00
Elizabeth McRoberts...	" "	1,300.00
Ward Macauley.....	" "	92.00
George R. Beamer.....	" "	100.00
Thomas T. Leete, Jr....	" "	1,000.00
John Taylor.....	" "	660.00
Fanny H. Wingert.....	" "	3,000.00
W. H. Littell.....	" "	1,000.00
Kate P. Savigny.....	" "	1,491.82
Theodore Young.....	" "	2,900.00
Mrs. Jennie Sterling...	" "	975.00
David H. Bresee.....	" "	57.11
Matila Fauser, admr..	" "	975.00
Ernestine Rosenthaler...	" "	235.00
R. W. Armstrong.....	" "	110.00
Rosalie Siegel.....	" "	620.00
Joseph Siegel.....	" "	620.00
Theophilus Dysarz.....	" "	162.00
A. W. Bather.....	" "	1,000.00
Alex. Lemke.....	" "	620.00
John A. Bohlen.....	" "	270.00
Martin Kulwicki.....	" "	265.00
J. Frank Strzyzewski...	" "	270.00
August Stieber.....	" "	530.00
Joseph Goike.....	" "	530.00
Thomas Flower, Jr....	" "	130.00
Melville A. Cowles.....	" "	86.00
Cyrus W. Purdon.....	" "	200.00
Sarah A. Purdon, gdn..	" "	400.00

Mrs. Wm. McLaws.....	" "	3,500.00
Esther Scholes.....	" "	13,900.00
Renselaer Fuller.....	" "	975.00
Alice VanNess, Jonesville, Hillsdale Co., Mich.		455.00
Mrs. C. J. VanNess, Jonesville, Hillsdale Co. Mich.		520.00
Louisa Ehler, Houghton, Houghton Co., Mich..		45.00
Joseph Kostehnik, Ewen, Ontonagon Co., Mich.		40.00
George Cann, Ishpeming, Marquette Co., Mich..		360.00
Willard C. Messler, Clinton, Lenawee Co., Mich.		108.00
Mrs. L. H. Wagner, Monroe, Monroe Co., Mich.		200.00
Mrs. Mary M. Martin, Monroe, Monroe Co., Mich.		800.00
James T. Bond, Greenland, Ontonagon Co. Mich.		50.00
George Block, Jr., Michigamme, Marquette Co., Mich.		55.00
A. B. Simonson, Calumet, Houghton Co., Mich.		870.00
John D. Cuddihy, Calumet, Houghton Co., Mich		910.00
Est. of Edward Ryan, by John D. Cuddihy, Calumet, Houghton Co., Mich.....		880.00
Mattie Johnston, Sidnaw, Houghton Co., Mich.		45.00
Eli Ruelle, Chassell, Houghton Co., Mich.....		20.00
Mary Weiss, Adrian, Lenawee Co., Mich.....		200.00
Regina Weiss, Adrian, Lenawee Co., Mich.....		2,050.00
E. T. Strong, Adrian, Lenawee Co., Mich.....		315.00
Timbert & Davis, Adrian, Lenawee Co., Mich..		630.00
Frank X. Weiss, Adrian, Lenawee Co., Mich..		2,720.00
William C. Koehn, Adrian, Lenawee Co., Mich.		215.00
Frank S. Weiss, Adrian, Lenawee Co., Mich..		600.00
Mrs. Adam Baisch, Adrian, Lenawee Co., Mich.		129.00
Gertrude Bowen, Adrian, Lenawee Co., Mich..		86.90
Charles M. Cone, Adrian, Lenawee Co., Mich...		260.00
Christy Baisch, Adrian, Lenawee Co., Mich..		129.00
W. F. Bradley, Adrian, Lenawee Co., Mich...		2,199.99
Lillian M. Wilcox Adrian, Lenawee Co., Mich.		500.00
C. R. Miller, Adrian, Lenawee Co., Mich.....		3,000.00
Henry A. Angell, Adrian, Lenawee Co., Mich..		5,500.00
Fanny B. Hill, Adrian, Lenawee Co., Mich....		4,000.00
Clarinda P. Livesay, Adrian, Lenawee Co., Mich		1,500.00
B. E. Tobias, Adrian, Lenawee Co., Mich.....		315.00
Emily Chittenden, admrx., Adrian, Lenawee Co., Mich.		2,000.00
Ellen M. Pynchon, Adrian, Lenawee Co., Mich.		1,500.00
James M. Aldrich, Adrian, Lenawee Co., Mich..		500.00
S. W. Anderson, by James M. Aldrich, guardian, Adrian, Lenawee Co., Mich.....		500.00
W. A. Childus, Houston, Harris Co., Texas....		455.00

A. J. Thomas, Mineral Wells, Palo Pinto Co., Texas	95.00
Ann M. Rhodehouse, Barnstable, Barnstable Co., Mass.....	100.00
Anne E. Briggs, Providence, R. I.....	200.00
Luna P. Jesurun, Erwinna, Bucks Co., Pa....	1,000.00
Mrs. S. W. Bennett, Wildewood, Lane Co., Ore.	300.00
	<hr/>
	\$25,084.89
	29,514.00
	22,902.93
	<hr/>
	\$77,501.82

Exhibit "B".

STATE OF NEBRASKA,
COUNTY OF SHERIDAN—SS.

James K. Reid, being duly sworn, says that he resides at Hay Springs, Nebraska, and is second vice-president of the Maverick Loan & Trust Co., an organization operating in the same place; that the following real estate was the property of the Michigan Savings & Loan Association of Detroit, Michigan, viz. lot 29, block 7 and lot 13, block 4, Hay Springs, Nebraska; that this property has been sold for taxes; lot 29 for \$600.00 and lot 13 has now more than \$180.00 against it; and that if steps are not taken soon both properties will be lost to the said association, for a tax deed in the State of Nebraska is good title; that while the equity in lot 13 is of small value, about fifty dollars, the equity in lot 29 can be sold for about \$200.00; that both these properties have been neglected during the past three or four years and let run down; that no one seemed to be looking after the same and that the house on said lot 13 is now in very bad shape; that had anyone exercised reasonable care for a few years past, both of said properties might be far more valuable and yield an income, while, as it is, one of the houses is now nearly destroyed.

Deponent further says that the receiver of said association investigated these properties about two years ago, and was furnished by the said Maverick Loan & Trust Co., with all necessary information regarding the same; and that said Trust Co. could have sold said lot

29 a few months ago had the said receiver taken any steps to have a sale made.

(Seal)

(Sgd.) James K. Reid.

Subscribed and sworn to before me this 6th day of September, A. D. 1905.

(Sgd.) J. E. Gilmore,
Notary Public,
Sheridan County, Nebraska.

My commission expires September 26th, 1905.

EXHIBIT 7.

(Title of Court and Cause.)

At a session of the Circuit Court of the United States for the Eastern District of Michigan, Southern Division, in Chancery, held at the Circuit Court Room, on Tuesday, the fifth day of December, A. D. 1905.

Present: Hon. Henry H. Swan, District Judge.

On reading and filing the petition of R. H. Osborn and sundry other shareholders of the Michigan Savings & Loan Association praying that Ralph L. Aldrich, the Receiver heretofore appointed in said cause, may be removed and for other relief, IT IS HEREBY ORDERED that a copy of said petition together with a copy of this order be served upon Ralph L. Aldrich forthwith, and within twenty days after said service that said Ralph L. Aldrich cause his answer to said petition to be filed in this Court and served on the Attorneys for Petitioners; and it is further ordered that said matter be referred to Walter S. Harsha, Esq., Standing Examiner, for the purpose of taking testimony on the matters in issue between said respective parties, on a day hereafter to be fixed by said Walter S. Harsha, Esq.

HENRY H. SWAN,
District Judge.

EXHIBIT 8.

(Title of Court and Cause.)

To the Circuit Court of the United States for the Eastern District of Michigan, Southern Division, in Chancery:

Your petitioners, R. H. Osborn, Henry A. Cleland, Frank D. Andrus, Charles H. Richards, Edward F. McGrann, Elizabeth McRoberts, Ward Macauley, George R. Beamer, Thomas T. Leete, Jr., John Taylor, Fanny H. Wingert, W. H. Littell, Kate P. Savigny, Theodore Young, Mrs. Jennie Sterling, David H. Bresee, Matilda Fauser, Administratrix of Estate of Anne Fauser. Deceased, Ernestine Rosenthaler, R. W. Armstrong, Rosalie Siegel, Joseph Siegel, Theophilus Dysarz, A. W. Bath-er, Alex. Lemke, John A. Mohlen, Martin Kulwicki, J. Frank Strzyzewski, August Stieber, Joseph Goike, Thomas Flower, Jr., Melville A. Cowles, Cyrus W. Purdon, Sarah A. Purdon, Guardian of Frank Purdon, minor, Mrs. Wm. McLaws, Esther Scholes, Renselaer C. Fuller, of Detroit, Wayne County, Alice J. VanNess, of Jonesville, Hillsdale County; Louisa Ehler of Houghton, Houghton County; Joseph Kostehnik of Ewen, Ontonagon County; George Cann of Ishpeming, Marquette County; Willard C. Messler of Clinton, Lenawee County; Mrs. L. H. Wagner and Mrs. Mary Martin of Monroe, Monroe County; James T. Bond, of Greenland, Ontonagon County; George Block, Jr., of Michigamme, Marquette County; A. B. Simonson, John D. Cuddihy and John D. Cuddihy and August Mette, for Estate of Edward Ryan, of Calumet, Houghton County; Hattie Johnston of Sidnaw, Houghton County; Eli Ruelle of Chassell, Houghton County, all in State of Michigan: W. A. Childus of Houston, Harris County, Texas; A. J. Thomas of Mineral Wells, Pale Piato County, Texas; Ann M. Rhodehouse of Barnstable, Barnstable County, Massachusetts; Anna E. Briggs of Providence, Providence County, Rhode Island; Luna P. Jesurun of Erwinna, Bucks County, Pennsylvania; Mrs. S. W. Bennet of Wildewood, Lane County, Oregon:

Respectfully represent:

1. That they are shareholders in the said Michigan Savings and Loan Association, and that their respective interests are set forth in a petition filed in this Court,

December 5th, A. D. 1905, which petition is hereby referred to and made a part of this petition as showing their respective interests.

2. That your petitioners joined in the aforesaid petition with other shareholders on said 5th day of December, 1905, praying for the Removal of the Receiver of said Association, Ralph L. Aldrich; and that the affairs of said association be wound up; wound up without further delay by some competent and disinterested person; and that said Receiver be required to file a supplementary account of all his doings since the date of his last account.

3. That said petition, after answer had been filed by said Receiver, and Replication filed, was brought on for hearing upon an Order of Reference before Walter S. Harsha, Special Master, February 19th, 1906; and that your petitioners were there represented by Dalton, Mertz & Renaud of Detroit, their Solicitors, and the other shareholders that joined in said petition were represented by Smith, Baldwin & Alexander of Adrian; and that said Receiver was present together with his solicitor, De Forest Paine; and that your petitioners' counsel asked Mr. Aldrich to take the witness stand; but that Mr. Aldrich then and there refused to be sworn or to answer any questions whatever put to him by your petitioners' counsel; and further that his solicitor, Mr. Paine, advised him not to testify, all of which was contrary to the duty of said Receiver and his counsel and against the interests of your petitioners.

4. That thereafter certain files and records of the Court were put in evidence, and adjournment taken, and that immediately after adjournment, while all above named were present, Mr. Aldrich was again asked to testify, but that both he and his solicitor refused to answer and left the room.

5. That said matter was again brought on for hearing February 27th, A. D. 1906, before Special Master, Walter S. Harsha; and again the solicitors for your petitioners asked Mr. Aldrich to take the stand for the purpose of answering such questions as might be put to him by Counsel in regard to the matters set forth in said petition and answer and other pleadings; and that said Receiver at once refused to be sworn or to testify and that his solicitor, Mr. Paine, who was also present, as will more fully appear by the records and files in said Court, advised him not to be sworn or testify, and that he should remain silent as to the matters above set forth.

6. That on the last named occasion, said Ralph L. Aldrich was present in response to a witness subpoena

served upon him by one of your petitioners' solicitors, but that he refused to testify.

7. And your petitioners further represent that they believe the sole purposes of said Aldrich in so refusing to testify were to create further delay in the matters of said Association and to shield himself in the mismanagement and other wrongdoing as Receiver, with which he is charged in the above named petition. And your petitioners say that all of this works great injustice to themselves and is another reason for the Receiver's removal, as they believe and that they are entitled to examine said Ralph L. Aldrich on the matters set forth in their petition and his answer and the other pleadings in said cause, and that the facts be disclosed by said Aldrich's testimony are material and necessary to the issues in said cause.

Wherefore your petitioners pray.

(a) That this Honorable Court will require said Ralph L. Aldrich to be sworn and to testify in said cause and to answer such questions as are put to him under the pleadings in said cause without further delay.

And your petitioners will ever pray, etc.

R. E. Osborn, Frank D. Andrus, Edward P. McGrann, Ward Macauley, Thomas T. Leete, Jr., Fanny H. Winger, Kate P. Savigny, Mrs. Jennie Sterling, Matilda Fauser, Admr. Est. of Ann Fauser, deceased, Ernestine Rosenthaler, Rosalie Siegel, Theophielus Dysarz, Alex. Lemkie, Henry A. Cleland, Charles H. Richards, Elizabeth McRoberts, George R. Beamer, John Taylor, W. H. Littell, Theodore Young, David H. Bresee, R. W. Armstrong, Joseph Siegel, A. W. Bather, John A. Bohlen, Martin Kulwicki, August Stieber, Thomas Flower, Jr., Cyrus W. Purdon Mrs. Wm. McLaws, Renselaer C. Fuller, Mrs. C. J. VanNess, Joseph Kostehnik, Willard C. Messler, Mrs. Mary M. Martin, George Block, Jr., John D. Cuddihy, Mattie Johnson, W. A. Childus, Ann M. Rhodehouse, Luna P. Jesurun, J. Frank Strzyzewski, Joseph Goike, Melville A. Cowles, Sarah A. Purdon, Guardian of Frank Purdon, Minor, Esther Scholes, Alice J. VanNess, Louisa Ehler, George Cann, Mrs. L. H. Wagner, James T. Bond, A. B. Simonson, John D. Cuddihy and August Mette for Est. of Edward Ryan, Eli Ruelle, A. J. Thomas, Anna E. Briggs, Mrs. S. W. Bennet.

All the foregoing by Dalton, Mertz & Renaud, their attorneys in fact, per William M. Mertz.

STATE OF MICHIGAN, COUNTY OF WAYNE—SS.

William M. Mertz, being duly sworn, deposes and says that he has read the foregoing petition subscribed by him as attorney in fact for the above named petitioners; that he knows the contents thereof; and that the same is true except as to matters therein stated on information and belief and as to such matters he believes it to be true.

(Sgd.) WILLIAM M. MERTZ.

Subscribed and sworn to before me this 9th day of March, A. D. 1906.

JOHN H. MCINTYRE,

Notary Public, Wayne County, Mich.

My commission expires Feb. 7, 1910.

EXHIBIT 9.

(Title of Court and Cause.)

PETITION FOR THE APPOINTMENT OF A CO-RECEIVER.

And now come R. H. Osborn, (Henry A. Cleland), Frank D. Andrus, Charles H. Richards, Edward P. McGrann, Elizabeth McRoberts, Ward Macauley, George R. Beamer, Thomas T. Leete, Jr., John Taylor, Fanny H. Wingert, W. H. Littell, Kate P. Savigny, Theodore Young, Mrs. Jennie Sterling, David H. Bresee, Matilda Fauser, Administratrix of Estate of Anna Fauser, deceased, Ernestine Rosenthaler, R. W. Armstrong, Rosalie Siegel, Joseph Siegel, Theophilus Dysarz, A. W. Bather, Alex. Lemkie, John A. Bohlen, Martin Kulwicki, J. Frank Strzyzewski, August Steiber, Joseph Goike, Thomas Flower, Jr., Melville A. Cowles, Cyrus W. Purdon, Sarah A. Purdon, minor, Mrs. Wm. McLaws, Esther Scholes, Renselaer C. Fuller, of Detroit, Wayne County; Alice J. VanNess and Mrs. C. J. VanNess, of Jonesville, Hillsdale County; Louisa Ehler, of Houghton, Houghton County; Joseph Kostenik of Ewen, Ontonagon County; George Cann of Ishpeming, Marquette County; Willard C. Messler of Clinton, Lenawee County; Mrs. L. H. Wagner and Mrs. Mary M. Martin, of Monroe, Monroe County; James

T. Bond of Greenland, Ontonagon County; George Block, Jr., of Michigamme, Marquette County; A. B. Simonson, John D. Cuddihy and John D. Cuddihy and August Mete, for Estate of Edward Ryan, of Calumet, Houghton County; Eli Ruelle of Chassell, Houghton County, all in the State of Michigan; Mattie Weiss, Regina Weiss, E. T. Strong, Gimbert & Davis, Frank X. Weiss, William C. Koehn, Frank S. Weiss, Mrs. Adam Baisch, Gertrude Bowen, Charles M. Cone, Christy Baisch, W. F. Bradley, Lillian M. Wilcox, C. R. Miller, Henry A. Angell, Fanny P. Hill, Clarinda P. Livesay, B. E. Tobias, Emily Chittenden, Administratrix of Estate of Henry Chittenden, deceased, Ellen M. Pynchon, James M. Aldrich, S. W. Anderson, Minor, by James M. Aldrich, Guardian, of Adrian, Lenawee County, all in the State of Michigan; W. A. Childus of Houston, Harris County, Texas; A. J. Thomas, of Mineral Wells, Palo Pinto County, Texas; Ann M. Rhodehouse of Barnstable County, Massachusetts; Anna E. Briggs of Providence County, Providence, Rhode Island; Luna P. Jesurun of Erwinna, Bucks County, Pennsylvania; Mrs. S. W. Bennett of Wildewood, Lane County, Oregon, and a number of other stockholders; by their attorneys respectfully represent unto this Honorable Court that on or about the 19th day of October, A. D. 1906, the resignation of Ralph L. Aldrich, Receiver of the Michigan Savings & Loan Association was duly presented to this Court for acceptance.

Further, your petitioners represent that the Receiver accompanied his resignation with a Report purporting to be a complete report of his Receivership up to October 4th, 1906;

That an immediate and thorough examination of this Report is desirable and necessary to handing the affairs of the Association over to a new Receiver;

That said examination should be done under the supervision of a Co-Receiver;

That there should be no further delay in administering the assets of the Association;

That a new Receiver can get the Association affairs well in hand as a Co-receiver pending the examination of the present Receiver's Report and acceptance of his resignation.

Wherefore your Petitioners pray that a Co-Receiver of said Association be appointed at an early date. And your Petitioners will ever pray, etc.

DALTON, MERTZ & RENAUD,

Attorneys for Petitioners.

Dated, October 22nd, A. D. 1906.

STATE OF MICHIGAN, }
COUNTY OF WAYNE. }ss:

William M. Mertz, being first duly sworn, deposes and says that he had read the foregoing Petition by him subscribed as attorney in fact; that he knows the contents thereof; and that the same is true except as to matters therein stated on information and belief and as to such matters he believes it to be true.

WM. M. MERTZ.

Subscribed and sworn to before me this 22nd day of October, A. D. 1906.

WM. FRIEDMAN,

Notary Public, Wayne County, Mich.

My commission expires June 15, 1909.

EXHIBIT 10.

(Title of Court and Cause.)

At a session of the Circuit Court of the United States for the Eastern District of Michigan continued and held pursuant to adjournment at the District Court room in the City of Detroit on Tuesday, the twenty-third day of October, in the year one thousand nine hundred and six.

Present: Honorable Henry H. Swan, District Judge.

Ralph L. Aldrich, Receiver in this cause, having on the 16th day of October inst., tendered his resignation to take effect as soon as his official reports have been passed on and his two receiverships pending in Texas are wound up.

And further having suggested the appointment at an early date of a co-receiver that he may have the benefit of the knowledge and acquaintance of the said Ralph L. Aldrich, Receiver, of the affairs and trust acquired during the period when it was solely within his control.

And further a petition having been filed on this day, October 23rd, 1906, in behalf of R. H. Osborne and more than seventy-nine other stockholders, asking the appointment of a co-receiver with the said Ralph L. Aldrich pending the examination of said Ralph L. Aldrich receiver's reports and the acceptance of his resignation.

It is by the Court now here ordered that Matthew B. Whittelsey of Detroit be and he is hereby appointed co-receiver with Ralph L. Aldrich in the above entitled cause and as such co-receiver is directed to take possession of all the property, rights, securities, monies, books, choses remaining assets of the said defendant, The Michigan Savings & Loan Association, of every character and that he is hereby directed at once to collect and reduce to cash the remaining assets of the said defendant, The Michigan Savings & Loan Association, and to that end upon being directed or permitted by the Court to bring such suits as may be necessary to collect the same. And that the said defendant, its officers, directors, agents, employes, shareholders and all other persons in whose hands the property or assets of the said defendant, The Michigan Savings & Loan Association, may be found, including Ralph D. Aldrich, Receiver, are required immediately to deliver possession of such assets to the said Matthew B. Whittelsey, Co-receiver, and each and all of said persons are hereby restricted from interfering with the possession of said Matthew B. Whittelsey, Co-receiver, or in any manner disturbing him in the due and orderly administration of said estate.

And it is further ordered that the said Matthew B. Whittelsey, Co-receiver, before entering upon the duties of his office, shall take and file with the Clerk an oath faithfully to perform the duties thereof and also to file with the clerk a bond with sufficient surety to be approved by the Clerk of this Court in the sum of Twenty-five thousand dollars for the faithful performance of such duties.

And further it is ordered that the said Co-receiver, Matthew B. Whittelsey, be and he is hereby directed to make and file in this court at least once in three months after entering upon the duties of his office a true report of his doings as such Co-receiver.

And further it is ordered that the said Ralph L. Aldrich, Receiver, do forthwith turn over to the said Matthew B. Whittelsey, Co-receiver.

1. All cash in his hands and in banks belonging to the said defendant, The Michigan Savings & Loan Association.

2. All books of record and all books of account received by him or being in his possession belonging to the said defendant or kept by him which contained the business and transactions of said defendant company or by him as receiver of said defendant company.

3. All office furniture, files, cabinets, and all other personal property belonging to said defendant, also all correspondence concerning said defendant company and its properties in any way, vouchers, memorandas and all papers pertaining to said defendant company.

Provided, however, that the said Receiver, Ralph L. Aldrich, be permitted to wind up the two receiverships in this cause now pending in Texas.

And further it is ordered that all bills and accounts of said Receiver shall be paid by check and that all checks be signed by the District Judge and countersigned by the Clerk of the United States Circuit Court.

HENRY H. SWAN,
District Judge.

EXHIBIT 11.

(Title of Court and Cause.)

At a session of the Circuit Court of the United States for the Eastern District of Michigan held at the District Court room in the City of Detroit on Tuesday, the thirtieth day of October, one thousand nine hundred and six.

Present: Honorable Henry H. Swan, District Judge.

On reading and filing the petition of R. H. Osborne and sundry other stockholders of The Michigan Savings & Loan Association, praying that the Co-receiver of said Association, Matthew B. Whittelsey, be authorized and directed by this court to secure the services of an expert accountant to examine the final account of Ralph L. Aldrich, Receiver, heretofore filed in the above entitled cause and the books and accounts of said Receiver for the purpose of ascertaining the correctness of said report, and it appearing from said petition that such an examination is necessary to enable said Co-receiver to properly take charge of the affairs of said Association and in order for this court to ascertain the correctness of said final report, and it appearing therefrom that the best interests of all persons interested in the assets of said Association will be best subserved by such an examination being made at this time, and the court being fully advised in the premises.

It is hereby ordered that said Co-receiver be hereby authorized and directed to secure the services of a proper expert accountant for the purpose of making such an examination, and the said Co-receiver be and he is hereby

authorized to expend from the monies of said Association for said purpose not to exceed the sum of One hundred and fifty dollars and that such examination be made with all possible haste.

HENRY H. SWAN,
District Judge.

EXHIBIT 12.

(Title of Court and Cause.)

Your petitioners, Michigan Savings & Loan Association, a corporation organized and existing under the laws of the State of Michigan, and Theodore Young, John Taylor and James E. Howard of Detroit, Michigan, and William C. Koehn and Charles Cone of Adrian, Michigan, directors of said Association, now comes into court and respectfully represent:

1. Your petitioners have prepared a petition which they desire to file in the above entitled cause which said original petition, duly verified, with the Exhibits A, B and C attached thereto, is hereunto annexed and made a part of this petition.

2. Your petitioners herein call the attention of the court to the petition attached hereto and allege for the reasons stated in said petition so attached that the jurisdiction of this court was improperly and collusively obtained; that the case is not within the jurisdiction of this Court; that it is not a case cognizable by this Court under the Acts of Congress, and your petitioners respectfully submit that this Court should proceed no farther in this cause, but should dismiss the case and make such other and farther orders in regard to the costs and damages occasioned thereby as shall be just.

3. Your petitioners further represent that testimony is being taken in this Court in the dependent cause of Ralph L. Aldrich vs. John E. Clark et al., which, in view of the fact that this Court has no jurisdiction of the subject matter of this suit or of that dependent suit or of the parties, is and will be a useless expenditure of time and money. And your petitioners represent that the best interest of all parties will be served by prohibiting any farther expenses being incurred in this cause until the question of jurisdiction of this Court is settled and determined.

Your petitioners therefore ask:

1. That an order may be entered in this Court and cause authorizing your petitioners to intervene for the purpose of filing the petition attached hereto and made a part of this petition.

2. That an order may be entered in this Court and cause staying the proceedings herein and prohibiting the incurring of any farther expense herein until the further order of the Court.

3. That a similar order may be entered in the dependent suit pending in this Court begun by Ralph L. Aldrich as receiver against John E. Clark et al., and now being prosecuted by Matthew B. Whitlesey, receiver appointed in the place and stead of Ralph L. Aldrich.

4. That your petitioners may have such other and farther relief as shall be just.

MICHIGAN SAVINGS & LOAN ASSOCIATION.

Theodore Young,
John Taylor,
James Howard,
William C. Koehn,
Charles Cone.
By MOORE & MOORE,
Their Solicitors.

MOORE & MOORE

AND

CLARKE E. BALDWIN,

Solicitors for Petitioners.

STEVENSON, CARPENTER & BUTZEL,
Of Counsel.

(Title of Court and Cause.)

The petition of Michigan Savings & Loan Association, corporation organized and existing under the laws of the State of Michigan, and of Theodore Young, John Taylor and James E. Howard, of Detroit, Michigan, and William C. Koehn and Charles Cone, of Adrian, Michigan, directors of said Association respectfully represents:

1st. That your petitioner, Michigan Savings & Loan Association, is a corporation organized and existing under the laws of the State of Michigan, and in particular under the provisions of Chapter 206 of the Compiled Laws of the State of Michigan, 1897, and amendments thereto, and is one of the defendants in the above entitled cause; that your petitioners, Theodore Young, John Taylor, James E. Howard, William C. Koehn and Charles Cone, are all

of the directors of the Michigan Savings & Loan Association, duly elected, as such, being also stockholders in said Association, of which your petitioner, Theodore Young, is president, and John Taylor, secretary.

2nd. That said corporation, Michigan Savings & Loan Association, conducted the usual business of a building and loan association for many years prior to April 11, 1901; that on or about March 20, 1901, one Edward W. Bishop, a resident of Muncie, in the State of Indiana, claiming to be a stockholder of said Association, filed the bill in this Court in the above entitled cause against said Association and one George Lord, praying for a receiver and a winding up of the affairs of said corporation; that, on April 11, 1901, an answer was filed in the name of said Association, signed by its vice-president, substantially admitting the allegations of the bill of complaint; that the George Lord named as a defendant in said action was the representative of the Secretary of State of the State of Michigan in charge of the assets of said Association, under the provisions of the statutes of this State, and said George Lord likewise filed an answer substantially admitting the allegations of said bill of complaint; that thereupon, on April 11, 1901, one Ralph L. Aldrich was appointed by this Court receiver of said Association, and the assets of said Association then in charge of said George Lord were turned over to him, and that said Ralph L. Aldrich and his successor in office have continued in possession of the assets of said Association since said date.

3rd. Your petitioners are lately informed, and charge the fact to be, that said Edward W. Bishop, upon whose bill of complaint said proceedings in this Court were originally instituted, was neither then nor at any time a lawful stockholder of said corporation; that he never invested a dollar in the stock of said corporation, but consented to file said bill of complaint upon the personal solicitation of Ralph L. Aldrich, who caused to be issued to said Edward W. Bishop certificate No. 8605 for 20 shares of the installment stock in series 134, bearing date January 1, 1901, said shares purporting to be of the value of one hundred dollars each; that said certificate was obtained by said Ralph L. Aldrich from the then officers of said Association, Thomas F. Hancock, vice-president, and F. B. Wemple, secretary, without any payment whatever therefor; that the same was not delivered to said Bishop by said Aldrich until about the time of the execution of said bill of complaint, on the 27th day of March, 1901; that no payments were ever made to said

Association on account of said stock issued to said Bishop prior to the execution of said bill of complaint, but, as appears from the books of said Association, on page 219 of the cash book thereof, on April 1st, 1901, there was paid \$10.00 on account of said stock, \$1.00 for expense and \$9.00 credit on stock; that said payment if ever made was not made by said Bishop; that it appears from the first inventory filed by said Aldrich that said certificate was held by said Bishop and only \$9.00 paid thereon.

4th. Your petitioners further show on information and belief that said Ralph L. Aldrich caused to be issued to him certificate No. 20,022 of the full paid dividend stock for three shares, aggregating \$300.00, on January 1, 1901, but that the books of the corporation do not show, so far as your petitioners have been able to discover, that said Aldrich ever paid for said certificate of stock; that as an inducement and consideration for said Edward W. Bishop to act in behalf of said Aldrich in filing the bill of complaint in this cause said Aldrich, on or about the date of the execution of said bill of complaint by said Bishop, to-wit, March 27, 1901, transferred said certificate for three shares by endorsing an assignment upon the back thereof, and delivering the same to said Bishop, and, as your petitioners are informed, he paid no consideration whatever therefor, but executed the papers and received the stock at the request of said Aldrich and for the purpose of enabling said Aldrich to obtain the receivership of said Association.

5th. That said Bishop did not have any knowledge of the facts set forth in said bill of complaint signed by him, except such information as was given to him by said Ralph L. Aldrich; that he did not know and had no relations whatever with counsel who appeared as solicitor for said complainant in said cause; that he never engaged or paid counsel for the service rendered by him in behalf of complainant in said cause, but that the same if paid was paid by said Ralph L. Aldrich for the purpose of securing his own appointment as receiver of said Association.

6th. Your petitioners further represent on information and belief that said Ralph L. Aldrich was at the time of filing the bill of complaint by said Edward W. Bishop, and had been for some time prior thereto, acting as attorney and counselor for the Michigan Savings & Loan Association, as appears by the accounts upon the books of said Association, and for some time prior thereto had received compensation for such service, and that one of the officers at that time, Thomas F. Hancock, vice-president, who

signed the answer filed in said cause in behalf of the corporation, did so upon the advice and instruction of said Ralph L. Aldrich; that said proceedings were not authorized by the board of directors; that said Thomas F. Hancock, vice-president, had no authority to execute said answer, but did so at the direction of said Aldrich, and without knowing of the effect thereof; that said proceedings were taken by said Aldrich without convening the board of directors of said Association or consulting the interest of the stockholders of said corporation.

7th. Your petitioners further show on information and belief that, at the time the proceedings were taken in this Court in said cause, the Secretary of State had sent Mr. George Lord representing the State to examine the said Michigan Savings & Loan Association, and in accordance with the statutes in such case made and provided he had taken charge of the assets and affairs of said corporation; that, as appears by the answer of said Lord filed in said cause, he consented to the appointment of a receiver. Your petitioners are advised that it was the duty of the Secretary of State at that time, and of his representative, George Lord, after having taken charge of the assets and affairs of said corporation, under the then existing circumstances, in accordance with the laws of this State, to convene a special meeting of the shareholders for the purpose of considering and acting upon the examiner's report of the affairs and condition of said Association as found by him from his examination thereof, and that such shareholders might resolve to go into liquidation, and for that purpose elect from among their own number a conservator charged with the proper distribution of the assets of said Association, the discharge of all liabilities and the final closing up of the affairs of said Association; but, instead of performing the duties so prescribed by statute, said George Lord filed his answer as above set forth and abandoned the assets of said corporation to said Aldrich.

8th. Your petitioners charge that said suit in this Court was not a bona fide proceeding by a non-resident stockholder of said corporation, but was the result of a conspiracy on the part of Ralph L. Aldrich and others to wreck said Association and to make himself receiver thereof, and your petitioners charge that said suit was a fraud upon this Court and upon all the stockholders of said Association; and your petitioners are advised that this Court acquired by virtue of said suit no jurisdiction over the affairs of said Association, and further that no court of equity would have jurisdiction thereof, except

in accordance with the provisions of the statutes of this State, and that this Court in accordance with the acts of Congress will upon being advised of the facts herein set forth dismiss said suit and cause the assets of said Association to be turned over to the proper officers or representatives thereof.

9th. Your petitioners are further advised that, in the absence of a statute of this State, a court of equity has no jurisdiction at the suit of a stockholder to entertain a proceeding for the winding up of the affairs of a corporation, and that the statutes of this State providing for dissolution of corporations are found in Act No. 17 of the Public Acts of the State of Michigan of 1901, relating to building and loan associations, which provides for action by the Secretary of State in calling a special meeting of the stockholders to determine upon the method of liquidation, and in Chapter No. 300, Compiled Laws of the State of Michigan, 1897, which provides for a petition to be filed in the proper court by the directors of a corporation, and that there is no statute in the State of Michigan authorizing such a proceeding as was taken in this cause, and that therefore this Court acquired no jurisdiction over the affairs of said corporation, and that it should now under the practice of the United States courts and the Acts of Congress in relation thereto proceed no further therein, but dismiss said suit.

10th. Your petitioners further show that the above named directors of said Association, upon the 16th day of January, 1909, filed a petition in accordance with the provisions of Chapter No. 300, Compiled Laws of the State of Michigan, 1897, in the Circuit Court for the County of Wayne, In Chancery, praying for the dissolution of said corporation, and incidental to such proceedings, that an order might be entered appointing some responsible person receiver for said Association, with authority to apply to this Court and to take such proceedings herein as might be necessary to obtain the property, assets and effects of said Association, it being thought by the petitioners therein that such a receiver would be the proper party to present the facts hereinbefore set forth to this Court, and to receive from this Court upon its declining further to proceed in this cause the assets of said Association, the sole purpose of praying for such receiver being to present the foregoing matters to this Court and receive said assets therefrom.

11th. That upon the filing of said petition in said Circuit Court for the County of Wayne, In Chancery, that Court made an order setting said petition down for

hearing upon Wednesday, January 20th, 1909, and that notice of said hearing be given to Matthew B. Whittlesey, receiver appointed in this Court, in accordance with which order such notice was served upon said Matthew B. Whittlesey, receiver as aforesaid, together with a copy of said petition, and that upon January 20th, 1909, when said petition came on to be heard, Mr. DeForest Paine, as solicitor for said Matthew B. Whittlesey and for Ralph L. Aldrich, receivers, appeared specially in said Circuit Court for the County of Wayne, In Chancery, and moved for a postponement of the hearing on said petition to enable him, the said solicitor, to more carefully examine the matter, and upon his application the hearing of said petition was adjourned until January 27th, 1909, upon the understanding entered into by said solicitor that no further expenses would meanwhile be incurred in regard to the affairs of said Association.

12th. Your petitioners, believing that matters herein set forth should be brought to the attention of this Court with the least possible delay, make this petition to this honorable Court, believing that upon this Court signifying its intention to proceed no further in this cause and to order the assets of said Association delivered to the proper officers thereof, said Circuit Court for the County of Wayne, in Chancery, will appoint a receiver to take charge of such assets.

13th. In support of this petition your petitioners herewith submit the affidavits of Edward W. Bishop, the complainant in the above entitled cause, and Thomas F. Hancock, former vice-president of the said Michigan Savings & Loan Association, who signed the answer filed in said cause, true copies of which affidavits are hereto attached marked Exhibits A and B, respectively, the originals of which your petitioners have and will present to the Court upon the hearing of this petition; and in further support of this petition your petitioners refer to the testimony of Ralph L. Aldrich given January 16, 1909, before the Hon. Walter S. Harsha, Esq., in the dependent cause in this Court, entitled Ralph L. Aldrich, Receiver, vs. John E. Clark et al., a portion of which testimony is hereto attached marked Exhibit C, and a transcript of all of which testimony is on file with the clerk of this Court.

14th. Your petitioners respectfully submit that, under the foregoing facts it should appear to the satisfaction of this Court that this suit does not really and substantially involve a dispute or controversy properly within the jurisdiction of this Court, and that the parties to this cause have been improperly and collusively made and joined

for the purpose of creating a cause cognizable under the acts of Congress, and that this Court, in accordance with the act of Congress in such case made and provided, should proceed no further herein, but should dismiss the same and make such further order in regard to the costs and damages occasioned thereby as shall be just.

Wherefore your petitioners pray:

That this Court take no further proceedings under the bill of complaint herein, but dismiss all such proceedings; that an order may be entered directing the receiver or receivers of this Court to deliver the assets of said Association to the officers thereof, or to such person as may be designated a receiver to receive the same by the Circuit Court for the County of Wayne, In Chancery; that a further order may be entered herein referring to a master to be appointed by this Court the question of costs, losses and damages sustained by said Association and its stockholders caused by these proceedings, and to determine the person or persons responsible therefor, and such further proceedings in connection with such costs and damages as may be in accordance with the acts of Congress.

MICHIGAN SAVINGS & LOAN ASSOCIATION.

By Theodore Young,
President.

John Taylor,
Secretary.

Theodore Young,
John Taylor,
James E. Howard,
Wm. C. Koehn,
Charles Cone,

Directors of Michigan Savings &
Loan Association.

By MOORE & MOORE,
Their Solicitors.

MESSRS. MOORE & MOORE

AND

CLARK E. BALDWIN,
Solicitors for Petitioners.

MESSRS. STEVENSON, CARPENTER & BUTZEL,
Of Counsel.

EASTERN DISTRICT OF MICHIGAN,
COUNTY OF WAYNE—SS.

On this 20th day of January, A. D. 1909, before me, a notary public in and for said county, personally appeared Theodore Young and John Taylor, who, being first duly sworn, depose and say that they are respectively the president and secretary of the Michigan Savings & Loan Association that they signed the foregoing petition in behalf of said Association and were duly authorized so to do; that they have read the same and know the contents thereof, and that the statements therein contained are true of the best of their knowledge, information and belief.

BENJAMIN S. PAGEL,
Notary Public,
Wayne County, Michigan.

Commission expires Sept. 8, 1912.

EXHIBIT "A".

(Title of Court and Cause.)

STATE OF INDIANA,
COUNTY OF DELAWARE—SS.

Edward W. Bishop, being duly sworn, says:

That he is complainant in the above entitled cause; that he executed a bill of complaint in said cause at the request of his friend, Ralph L. Aldrich, Esq., on or about the 27th day of March, 1901; that at the time, or just prior thereto, affiant received from said Aldrich certificate No. 8605 for twenty (20) shares of the installment stock in series 134, of the par value of one hundred dollars (\$100), purporting to be issued by the said defendant, Michigan Savings & Loan Association; that at the same time affiant received from said Aldrich certificate No. 20,022 for three (3) shares of the full paid dividend stock of said Association, being of the value of three hundred dollars (\$300); that both of said certificates of stock bear date of January 1, 1901; the latter certificate No. 20,022 was endorsed by an assignment from said Ralph L. Aldrich to whom said certificate was originally issued,

transferring the same to this affiant; that affiant did not pay anything, nor agree to pay anything, for either of said certificates of stock, and never prior or since has paid anything therefor; that he does not know what counsel was engaged by said Aldrich to file said bill of complaint in said cause; that he had no relation with anyone with reference to the matter, except said Aldrich, and was assured by him that he would not be held liable for costs or otherwise in connection with the matter; that said Aldrich informed affiant, at the time, that the purpose of said proceeding was to obtain jurisdiction in the United States Court, and that he expected to be appointed receiver by the Court for said defendant Association; that affiant has taken no further action in the matter, and still holds said certificates of stock above mentioned; that he did this as a friend of said Aldrich, and knowing him to be an attorney-at-law and a former resident of Muncie, Indiana, and having confidence in him, he acted upon his suggestion and relied upon his statement that such proceedings were all right.

(Sgd.) Edward W. Bishop.

Subscribed and sworn to before me this 18th day of January, 1909.

(Seal)

NORENE HAWKS,
Notary Public,

Delaware Co., State of Indiana.

My commission expires Sept. 7, 1910.

EXHIBIT "B".

(Title of Court and Cause.)

THOMAS F. HANCOCK, being duly sworn, says that he is a resident of Detroit; that he was acting vice-president of the Michigan Savings & Loan Association in April, 1901; that he understood at that time by conversation with Ralph L. Aldrich, who was then acting as counsel for said Association and from Mr. George Lord, representing the Secretary of State, that proceedings were to be taken to appoint a receiver of said Association, that he is not an attorney and not familiar with legal procedure; that said Aldrich had acted for said Association in some matters for some time prior to said date; that the answer filed in the above entitled cause signed by him as vice-president was prepared, but by whom he does not

now remember; that the same was presented to him to the best of his recollection by Mr. Aldrich, and that he signed the name of the Association and his own name as vice-president thereto at said Aldrich's request; that he does not remember meeting Mr. DeForest Paine, who signed as solicitor and as of counsel for said association, and does not know whether he prepared the answer or not; that whatever was done by affiant was done at the direction of said Aldrich at that time, and that so far as affiant remembers no action was taken by the board of directors with reference to the matter.

(Sgd.) THOS. T. HANCOCK.

Subscribed and sworn to before me this 19th day of January, A. D. 1909.

ARTHUR D. CAMPBELL

Notary Public,

Wayne County, Michigan.

My commission will expire January 7, 1911.

EXHIBIT "C".

Ralph L. Aldrich, examined by John B. Corliss.

Q. Will you look at the bill of complaint filed in the case of Edward W. Bishop against the Michigan Savings & Loan Association, March 30, 1901, and tell me if you know who prepared that bill of complaint?

A. Yes, I do.

Q. Who?

A. Mr. John D. Connolly.

Q. At his request?

A. Why, the matter came up over there between Mr. Lord and Governor Warner, who was there closing, and Mr. Leland, and it was discovered that it would be necessary to put the Michigan into hands of a receiver after Mr. Lord made his first examination, and it was also discussed as to who would be a proper receiver, and it was decided to ask for my appointment as receiver; and then I think that in all probability—I don't know who did arrange to have that bill filed. I know I discussed it with Mr. Connolly and I think Mr. Wemple and Mr. Leland, and possibly Mr. Lord did also.

Q. I would rather you would not guess at anything you are testifying to, Mr. Aldrich?

A. Well, really, Mr. Corliss, it is seven or eight years ago, and I cannot recall clearly.

Q. I want your positive information; were you present when that bill of complaint was prepared by Mr. Connolly?

A. I don't think I was present when it was prepared, but I am not positive about it.

Q. You know the signature of Edward W. Bishop?

A. Yes, sir.

Q. I show you the bill of complaint to which I have heretofore referred, Bishop against the Michigan Savings & Loan Association. State if that is his signature?

A. Yes, sir.

Q. And you saw it signed?

A. I don't think so; no, sir.

Q. In whose handwriting is the jurat written?

A. Mine.

Q. And do you know the notary public?

A. Yes, sir.

Q. You used to live at Muncie, Indiana, did you?

A. I was there for nearly a year, yes, sir.

Q. And you know these people personally?

A. Yes, sir.

Q. And do you swear that you were not present when they signed that?

A. I don't think I was.

Q. Mr. Bishop did not come here?

A. No, sir.

Q. Mr. Connolly never saw him?

A. I could not say as to that.

Q. Don't you know that to be so?

A. No, I don't.

Q. Don't you know that you engaged Mr. Connolly yourself for Mr. Bishop?

A. Why, I had some talk with Mr. Connolly, and I think Mr. Lord did also, and I think Mr. Wemple did also.

Q. Mr. Bishop consented to execute this bill of complaint at your request, did he not?

A. I think he did.

Q. You visited Muncie, Indiana, for the purpose of getting him to do so, did you not?

A. My recollection is that I called him up over the long distance 'phone, but I could not be positive about that.

Q. Did you not give him a written agreement guaranteeing him against any liability by having so done?

A. I don't think so; no, sir.

Q. Did you not, just prior to the date when he signed this bill of complaint, March 27, 1901, cause to be issued

by Mr. Hancock or Mr. Wemple, a certificate, No. 8605, of the monthly installment stock of the Michigan Savings & Loan Association, for 20 shares, in series 134, of the supposed par value, when matured, of \$100, which bore date January 1, 1901, and deliver that to Mr. Bishop, for the purpose of giving him stock in the Michigan Savings & Loan Association and enabling him to file this bill of complaint?

A. I don't remember it—anything about it.

Q. Do you swear that that certificate of stock was not caused to be issued by you and delivered to him?

A. It was not caused to be issued by me. I had no power to cause it to be issued.

Q. Did you not deliver it to him for the purpose of getting him to make this bill of complaint?

A. I don't think I delivered it to him.

Q. Was it delivered to him with your knowledge?

A. Why, I presume I knew about all of the transactions at that time. I have no recollection as to that particular certificate of stock.

Q. No payment prior to March 27, 1901, had ever been made on that certificate of stock, had there?

A. I could not tell you.

Q. Mr. Bishop never paid a dollar to anybody on that stock, did he?

A. I could not tell you.

Q. And do you not know of your own knowledge that Mr. Bishop never paid one cent on that stock?

A. No, I don't.

Q. Will you swear that he did or did not?

A. I would not swear anything about it; I don't know.

Q. Do you know whether Mr. Bishop ever held that certificate of stock prior to the 27th day of March, or not?

A. No, sir, I don't know anything about it.

Q. Do you remember that you gave it to him yourself?

A. No, sir, I don't.

Q. Will you swear you did not?

A. I don't think I did.

Q. Will you swear that you did not?

A. No, sir, I would not swear, because I do not remember. I do not think I did.

A. I showed a certificate to Mr. Bishop.

Q. And was it not No. 2022?

A. Yes, sir.

Q. And it was for 300 shares?

A. It was for three shares.

Q. I mean three shares, or \$300?

A. Yes, sir.

Q. Mr. Aldrich, did you not in the month of March, when you got Mr. Bishop to consent to file this bill of complaint, deliver, transfer on the back of that certificate, that stock to him, and deliver it to him as a consideration for his filing this bill of complaint?

A. I think I turned that stock over to him; not as a consideration, however; there was no consideration talked of that I remember.

Q. Did he pay you anything for it?

A. No.

Q. He has got that certificate, has he?

A. I think he has, yes, sir.

Q. You do now remember that you endorsed those three shares over to him?

A. I don't have that recollection, but looking at this I am confident that that is the case.

Q. He did not pay you a cent for it, did he?

A. He didn't pay me anything for it.

Q. Did you not agree in writing to indemnify Mr. Bishop against any possible expense or cost or liability for filing this bill of complaint?

A. I don't think so; I could not remember. I have no doubt that if he had asked me I would have.

Q. And did you not tell him that it was done for the purpose of getting you appointed receiver?

A. Why, it is entirely possible that I did; I don't remember.

Q. Mr. Bishop did not come to Detroit to execute that paper?

A. No, it was executed down there.

Q. Was he up to see you or Mr. Connolly about it?

A. No, sir.

Q. You went to see him?

A. I don't remember.

Q. Or communicated with him?

A. I communicated with him.

Q. And you retained Mr. Connolly for him?

A. Why, I don't remember whether I went to Mr. Connolly alone, or with Mr. Hancock or Mr. Wemple or Mr. Lord.

Q. But it was the people up here that went to Mr. Connolly?

A. Yes, sir.

Q. Mr. Bishop did not go to him?

A. I don't think so.

Q. He did not write to him?

A. I think he did.

Q. At your request?

A. I presume so.

Q. He did not pay him anything?

A. Well, I could not say as to that.

Q. Will you not swear Mr. Bishop knew—will you deny that all of these proceedings were taken for the purpose of getting into the United States Court, and securing the appointment of a receiver for yourself?

A. They were taken for the purpose of getting into the United States Court unquestionably.

Q. And getting yourself appointed receiver?

A. My interest was naturally to get myself appointed.

Q. And you knew that Mr. Bishop was not a holder of a certificate of stock upon which he had paid \$2,000?

A. Why certainly.

Q. You did not tell Judge Swan, when your counsel applied for the appointment of yourself as receiver, that you had taken these steps to get Mr. Bishop to file the bill, did you?

A. I did not tell him anything about it.

EXHIBIT 13.

(Title of Court and Cause.)

On reading and filing the petition of the Michigan Savings & Loan Association and Theodore Young, John Taylor, James E. Howard, William C. Koehn and Charles Cone for leave to intervene in this cause and for other relief.

IT IS ORDERED that the receiver, Matthew B. Whittlesey, be and he is hereby ordered to show cause on Monday, February 1st, 1909, at the opening of Court on that day, or as soon thereafter as counsel can be heard, why the prayer of said petition should not be granted.

And IT IS FURTHER ORDERED that a copy of said petition and of this order be served on DeForest Paine, attorney for said receiver, within four (4) days from this date.

HENRY H. SWAN,
District Judge.

EXHIBIT 14.

(Title of Court and Cause.)

At a session of the Circuit Court of the United States for the Eastern District of Michigan, held at the District Court room in the City of Detroit, on the twenty-fifth day of January, one thousand nine hundred and nine.

Present—Honorable Henry H. Swan, District Judge.

It appearing from the petition of the receivers in this cause and the affidavit thereto attached that James E. Howard, Theodore Young, John Taylor, William C. Koehn and Charles M. Cone, filed their petition in the Circuit Court for the County of Wayne, alleging wasteful administration herein and seeking to take from the possession of the receiver, Whittelsey, the property of the Association in his hands.

And it further appearing from the said receivers' petition that said James E. Howard, Theodore Young, John Taylor, William C. Koehn and Charles M. Cone have interfered with the possession of the receiver of the said property and with the collection by the said receiver of the assets of the said Association, and that the said James E. Howard and his co-petitioners have also interfered in and by their conduct in the premises with the progress and the proceedings in this Court in this cause.

Now, upon consideration thereof and upon further considering the petition of said James E. Howard, Theodore Young, John Taylor, William C. Koehn and Charles M. Cone, and The Michigan Savings & Loan Association, by them filed in this cause, wherein they pray leave to intervene and file a petition praying that this Court take no further proceedings under the bill of complaint in this cause, and this Court having given leave to file said petition praying leave, etc., and having made an order thereon dated the 21st day of January, 1909, requiring Matthew B. Whittelsey receiver to show cause February 1st, 1909, why the prayer of said petitioners should not be granted, and this Court upon further consideration, deeming the said leave to file the said petition of James E. Howard, Theodore Young, John Taylor, William C. Koehn and Charles M. Cone and The Michigan Savings & Loan Association by them upon which said last named order was made, and the said order made thereon improvidentially made and granted, it is ordered:

1. That the said order so made upon said petition requiring said receiver to show cause as aforesaid be and the same is hereby vacated, and he is relieved from complying with the terms thereof.

2. The leave given to the said James E. Howard, Theodore Young, John Taylor, William C. Koehn, Charles M. Cone and The Michigan Savings & Loan Association, petitioners, to file said petition upon which said order was made, is revoked and the said petition is stricken from the files and records of this Court.

3. It is further ordered that a copy of this order be served upon Messrs. Moore & Moore, solicitors for said James E. Howard and other petitioners on or before the 28th day of January, 1909.

HENRY H. SWAN,
District Judge.

EXHIBIT 15.

(Title of Court and Cause.)

In the matter of the Petition of Ralph L. Aldrich and Matthew Whittlesey, Receivers, for an Injunction and for Attachment for Contempt.

DEPOSITION OF EDWARD W. BISHOP. APPEARANCES.

DeForest Paine, for Receivers Whittlesey & Aldrich, Paul B. Moody for Respondents in the said contempt proceeding.

It is stipulated and agreed that Charles W. Weir may take the testimony of EDWARD W. BISHOP in shorthand and transcribe the same, and that the testimony so transcribed and certified to by the Notary be read in evidence, subject to such objections as may be made at the time of taking the same.

EDWARD W. BISHOP, being duly sworn to tell the truth, the whole truth and nothing but the truth concerning said cause, deposes as follows:

Examined by Mr. DeForest Paine:—

Q. Mr. Bishop, you have lived in Muncie, Indiana, for how many years?

A. Twenty-seven—twenty-eight.

Q. What is your business?

A. Insurance.

Q. You are forty-five years of age and upward?

A. Yes, sir.

Q. Do you know Ralph L. Aldrich, the Receiver in this matter?

A. I do.

CROSS-EXAMINATION.

By Mr. Moody—

Q. Mr. Bishop, in the present proceeding you have no object or interest of any kind, have you, except to tell the exact facts?

A. Have no interest whatever.

Q. And neither Mr. Aldrich, Mr. Corliss, Mr. Paine or myself, or any other person, has asked you to conceal anything in regard to the facts?

A. Not a word.

Q. Now I understand you to say that you have lived twenty-eight years in this city?

A. Yes, sir.

Q. And Mr. Aldrich used to live here also?

A. Yes, sir.

Q. And how long did he live here?

A. About five years.

Q. During what period was that; up to when?

A. It seems to me about ninety-one or two to about eighteen ninety-six.

Q. And then he went where?

A. Back to Detroit.

Q. He had previously lived in Detroit before coming here?

A. Yes, sir.

Q. And what business was he in here?

A. He bought a piece of land and laid it out in an addition and had a land company formed as the Aldrich Land Company; he built houses and sold the houses and lots.

Q. Were you in any way interested with him in the business?

A. Mr. John J. Hartley and myself had an office on East Main street in the Boyce block, opposite the Kirby House, and Mr. Aldrich occupied the office rooms with us during that time.

Q. And that was your acquaintance with him from being in the same office?

A. Yes, sir.

Q. After he left and went back to Detroit, did you keep up your acquaintance?

A. I did.

Q. After that did you see him frequently?

A. Yes, sir; his business required him to come here and—

Q. He used to visit at your house?

A. Yes, sir.

Q. And you had visited him in Detroit had you?

A. Only at his office at one time.

Q. Now, just before you signed the bill of complaint in this cause Mr. Aldrich communicated with you by phone, did he not?

A. He did.

Q. And asked you if you would be willing to sign the bill of complaint?

A. He told me that the company was about to go into the hands of the receiver and he wanted to be receiver and that it required a citizen outside of the State of Michigan to make the complaint.

Q. That was in order to get into the United States Court?

A. I presume so.

Q. That is, he didn't mention the United States Court?

A. I think not.

Q. But he did say that it was necessary to have a citizen outside of the State of Michigan?

A. Yes.

Q. And you told him over the phone that you would do that for him?

A. He said I would not be running any risk whatever, and as a friend of course I was glad to help him get the position. I expected it to be a good position for him.

Q. Now, then, immediately after that Mr. Aldrich came down, did he not, and brought the papers with him?

A. He did.

Q. He brought the bill of complaint ready for you to sign?

A. He presented it to me, I presume he had it ready when he came to Muncie.

Q. Do you recall about him drawing up the jurat at the end of the bill in his own handwriting?

A. No, sir.

Q. You don't recall that?

A. No, sir.

Q. And he brought this stock with him?

A. Yes, sir.

Q. He was in some haste when he came down, was he not?

A. He was.

Q. And you signed the bill on the same day he brought it down?

A. - I am not positive. My recollection is that he came here in the evening; it may have been in the morning and spent the day here.

Q. Whether you signed the bill on the first day he was here or on the second you are not positive?

A. I think it was the second day, I am not positive. We had several other transactions in other matters and I am not positive whether it was in the evening or next morning that this was signed.

Q. And I understand that he gave you these two certificates before you signed the bill?

A. Yes. I had to have them in my possession before I signed the bill or I would not have been in a position to have signed it.

Q. You say that you would not have been in a position to sign the bill without them and that was what they were given you for?

A. Yes, I would not have been in a position to have signed it.

Q. Now at that time Mr. Aldrich gave you some writing, did he not, indemnifying you against any loss or damage on account of your signing the bill?

A. I don't remember whether he did or not. I know that we talked the matter over that there would be no liability on my part whatever by doing so; that it would be perfectly legal and all right.

Q. You knew Mr. Aldrich himself was a lawyer?

A. Yes, sir, I did.

Q. And you relied entirely upon him that everything was all right?

A. Yes, sir.

Q. And you did it out of pure friendship to him?

A. Yes, sir, I did.

Q. You are not certain now whether there was any writing for indemnity or not?

A. I could not say.

Q. Did you ever go to Detroit in connection with the matter?

A. I did not.

Q. Did you know whom he had employed to act as solicitor for you?

A. He told me Mr. Conely.

Q. He told you when?

A. When he was here.

Q. At the time he was here with the bill?

A. Yes, sir.

Q. Did you ever have any correspondence with Mr. Conely?

A. I did not.

Q. Did you ever pay Mr. Conely anything?

A. No, sir.

Q. Do you know when Mr. Conely died?

A. No, I did not.

Q. Had you known before today that he was dead?

A. I don't remember that I did.

Q. Did you ever hear of this firm of attorneys named Nichols and Durfee?

A. No, sir.

Q. So far as the Detroit end of the litigation was concerned and so far as you were concerned in it, it was managed by Mr. Aldrich and not by you?

A. Yes, sir.

Q. Are you pretty familiar with Mr. Aldrich's handwriting?

A. I am.

Q. Have you any other specimen of his handwriting except the one on this assignment?

A. Yes, sir.

Q. Will you produce one?

(Witness here produces a letter signed by Mr. Aldrich.)

Q. Mr. Bishop I would like to have you read the endorsement upon the back of Certificate Number 20,022 if you will?

A. The Michigan Savings & Loan Association of Detroit, Michigan.

No. of Certificate 20,022. No. of shares 3.

Amount \$300 at maturity.

Shareholder, Ralph L. Aldrich.

City or town, Detroit, County of Wayne, State Michigan.

Date of issue March 1, 1901.

In writing secretary of company always mention certificate number.

Q. Now, will you read the endorsement on the back of certificate number 8,605.

A. Certificate number 8,605. 20 Shares.

134th Series, The Michigan Savings & Loan Association to E. W. Bishop of City of Muncie, County of Delaware, State of Michigan. Weekly installment \$10.00. Date of issue January 1, 1901.

Q. All the writings that are on these certificates were on when they were handed to you were they not?

A. Yes, they were, except what the Notary—or stenographer—put on there.

Q. That's the number of exhibit?

A. Yes, sir.

Q. I suppose Mr. Aldrich made out this assignment when he came down here?

A. Yes, sir. He delivered it to me in that way.

Q. You don't know where that was made out?

A. No, sir, I do not.

Q. Mr. Bishop, will you look at your name upon Certificate number 8,605 in the body of it and the balance of the writing except the signatures and tell me whether or not that is Mr. Aldrich's handwriting?

A. No, sir, it is not.

Q. Are you sure of that, Mr. Bishop?

A. Well now, I wouldn't take it to be his handwriting at all.

Q. What do you say about the endorsement on the back of the same certificate?

A. That doesn't look like his writing.

Q. I will ask you to compare the letters in the word "Bishop" on the back of number 8,605 with the letters in the word "Bishop" as written out by Mr. Aldrich on the assignment of the certificate?

A. They don't look alike at all.

Q. They don't look alike?

A. No, sir.

Q. Isn't the only difference that one is written with a stub pen and the other with a pointed pen?

A. No, sir, I think not. The "e" in Edward is not alike; it starts here from the bottom and ends here with a cross—

Q. Well, but the word "Bishop" I am asking about, now is that written in the same way?

A. No, sir.

Q. You think not?

A. I think not.

Q. I will ask you, Mr. Bishop, to look at the name of Mr. Aldrich in the body of Certificate number 20,022 and see whether or not that is his writing?

A. No, sir.

Q. You think it is not?

A. I think it is not.

Q. And what would you say of his name in the endorsement of the same certificate?

A. You mean the title?

Q. Yes.

A. It's different.

Q. Will you compare it with the signature to the assignment?

A. Some similarity about it, but then the letters are not alike.

Q. There is a considerable similarity in the method of form, is there not?

A. No. The "B" is entirely different and the "c" is entirely different, and the "A" is the only thing that I see that is much favorable—that favors it.

Q. Does it look to you like the difference between a man writing in a hurry and a man writing carefully?

A. I don't think there is much comparison between them.

Q. You don't think so?

A. No, sir.

Q. Mr. Bishop, the only money that you are out in this transaction consists of telephone charges for long distance messages and such taxes as you have paid on account of owning this stock, is that true?

A. That is right, yes, sir.

Q. Is it true that immediately after you signed the bill of complaint it was spoken of in the newspapers?

A. Yes, sir.

Q. And for that reason you felt bound to declare it in your tax returns?

A. Well, not that entirely, but because I had the stock and they had the value to them.

Q. I suppose that you thought you owned the stock and they had their value?

A. Yes, sir. In consideration of signing the bill and for the purpose of signing it.

Q. That is, the only monies that you have paid at all on account of having received the stock?

A. That was all.

Q. When did you first hear that there appeared on the books of the association an item of ten dollars paid upon the installment stock?

A. I have never been aware of that.

Q. You have never been aware of that?

A. No, sir.

Q. At any rate if there is such an item you didn't pay it yourself?

A. No, sir.

Q. And do you know yourself as to whether in fact any sum was ever paid for the other stock?

A. I do not know.

Q. If there was any you did not pay it?

A. No.

Q. Nor did you pay Mr. Aldrich anything for either of these certificates?

A. No, sir, not in cash.

Q. Or in property?

A. No, sir.

Q. The reason—the consideration for your receiving them was that you sign the bill of complaint.

A. Yes, sir, had to be a stockholder.

Q. So as to make you a stockholder to do it?

A. Yes, sir.

Q. And because you were a non-resident of the State of Michigan?

A. Yes, sir.

Q. Since you signed the bill of complaint you have taken no further action of any kind?

A. No, sir.

Q. You did not endeavor to prove your claim or anything of the sort?

A. No, sir.

EXHIBIT 16.

ALDRICH DEPOSITION.

January 16, 1909; 10:00 A. M., met pursuant to adjournment.

Present: Mr. Paine, Mr. Whittelsey and Mr. Corliss.

Mr. Ralph L. Aldrich recalled for further cross-examination by Mr. Corliss.

Q. Mr. Aldrich, you are a lawyer by profession, are you not?

A. Yes, sir.

Q. And have been for a great many years?

A. About 22 years.

Q. You were employed by the Michigan Savings & Loan Association as its counsel at the time these unfortunate proceedings in this court were taken, were you not?

A. I had been employed in some special matters; not generally as counsel, I think.

Q. Did you not draw a salary from that Association for some months prior to the appointment of a receiver? April, 1901?

A. My recollection is that I rendered bills for specific

services; I don't think there was any understanding as to any salary; that is my recollection of it.

Q. You know the signature of Edward W. Bishop?

A. Yes, sir.

Q. I show you the bill of complaint to which I have heretofore referred, Bishop against the Michigan Savings & Loan Association. State if that is his signature?

A. Yes, sir.

Q. And you saw it signed?

A. I don't think so; no, sir.

Q. In whose handwriting is the jurat written?

A. Mine.

Q. Mr. Bishop consented to execute this bill of complaint at your request, did he not?

A. I think he did.

Q. You visited Muncie, Indiana, for the purpose of getting him to do so, did you not?

Mr. Paine: Same objection.

A. My recollection is that I called him up over the long-distance 'phone, but I could not be positive about that.

Q. Did you not give him a written agreement guaranteeing him against any liability by having so done?

Mr. Paine: Same objection.

A. I don't think so; no, sir.

Q. Did you not, just prior to the date when he signed this bill of complaint, March 27, 1901, cause to be issued by Mr. Hancock or Mr. Wemple, a certificate, No. 8605, of the monthly installment stock of the Michigan Savings & Loan Association, for 20 shares, in series 134, of the supposed par value, when matured, of \$100, which bore date January 1, 1901, and deliver that to Mr. Bishop, for the purpose of giving him stock in the Michigan Savings & Loan Association and enabling him to file this bill of complaint?

A. I don't remember it—anything about it.

Q. Do you swear that that certificate of stock was not caused to be issued by you and delivered to him?

A. It was not caused to be issued by me. I had no power to cause it to be issued.

Q. Did you not deliver it to him for the purpose of getting him to make this bill of complaint?

A. I don't think I delivered it to him.

Q. Was it delivered to him with your knowledge?

A. Why, I presume I knew about all of the transactions at that time. I have no recollection as to that particular certificate of stock.

Q. No payment prior to March 27, 1901, had ever been made on that certificate of stock, had there?

A. I could not tell you.

Q. Mr. Bishop never paid a dollar to anybody on that stock, did he?

A. I could not tell you.

Q. Will you turn to the book there, and look at the item, on page 218, April 1st, and see if you do not find that certificate noted there, with a payment of \$10.00—\$1.00 for expense, and \$9.00 on the stock?

A. There is a credit here to certificate 8605. E. W. Bishop \$10.00; that is \$1.00 expense portion, and \$9.00 debit to cash.

Q. Was not that the only payment that was ever made on account of that certificate of stock?

A. I could not tell you.

Q. Will you look at your first report, in which you give a list of the stockholders, and state whether it does not appear in Mr. Bishop's name, and a credit of only \$9.00 on it?

A. Yes, sir; it appears here, certificate 8605, 20 shares, E. W. Bishop, Muncie, Indiana, \$9.00.

Q. That, then, appears from your own certificate, that the \$9.00 is the only payment that was made on it?

A. That is what I find on the books, yes, sir.

Q. And that appears to have been made April 1st, three days after Mr. Bishop swore to the bill of complaint?

A. It appears so on the books here.

Q. And do you not know of your own knowledge that Mr. Bishop never paid one cent on that stock?

A. No, I don't.

Q. Will you swear that he did or did not?

A. I would not swear anything about it; I don't know.

Q. Will you swear that you did not yourself pay that \$10?

A. Yes, sir.

Q. You did not?

A. No, sir.

Q. Do you know whether Mr. Bishop ever held that certificate of stock prior to the 27th day of March, or not?

A. No, sir; I don't know anything about it.

Q. Do you not remember that you gave it to him yourself?

A. No, sir, I don't.

Q. Will you swear you did not?

A. I don't think I did.

Q. Will you swear that you did not?

A. No, sir, I would not swear, because I do not remember. I do not think I did.

Q. You stated a little while ago that you had issued to you by Mr. Wemple, certificate No. 2022, for 300 shares of the full paid dividend stock?

A. I said I had three shares of that full paid dividend stock?

Q. That appears to be certificate No. 2022. When did you get that certificate of stock from the Michigan Savings & Loan Association or Mr. Wemple?

A. Why, I presume I got it on the date; I can't remember.

Q. On what date?

A. The date the certificate was dated.

Q. Do you know what date the certificate was dated?

A. No, I could not tell you that, sir.

Q. Did you not return in your certificate that it was issued January 1st, 1901, in your report?

A. It is entirely possible that I did. I don't find the dates here in this report.

Q. In your report you show that that certificate was held by Mr. Bishop, do you not?

A. I showed a certificate to Mr. Bishop.

Q. And was it not No. 2022?

A. Yes, sir.

Q. And it was for 300 shares?

A. It was for three shares.

Q. I mean three shares, or \$300?

A. Yes, sir.

Q. Mr. Aldrich, did you not in the month of March, when you got Mr. Bishop to consent to file this bill of complaint, deliver, transfer on the back of that certificate, that stock to him, and deliver it to him as a consideration for his filing this bill of complaint?

A. I think I turned that stock over to him, not as a consideration, however; there was no consideration talked of that I remember.

Q. Did he pay you anything for it?

A. No.

Q. He has got that certificate, has he?

A. I think he has, yes, sir.

Q. You do now remember that you endorsed those three shares over to him?

A. I don't have that recollection, but looking at this I am confident that that is the case.

Q. He did not pay you a cent for it, did he?

A. He didn't pay me anything for it.

Q. Did you not agree in writing to indemnify Mr. Bishop against any possible expense of cost or liability for filing this bill of complaint?

A. I don't think so; I could not remember. I have no doubt that if he asked me I would have.

Q. And did you not tell him that it was done for the purpose of getting you appointed receiver?

A. Why, it is entirely possible that I did; I don't remember.

Q. Mr. Bishop did not come to Detroit to execute that paper?

A. No, it was executed down there.

Q. Was he up to see you or Mr. Connolly about it?

A. No, sir.

Q. You went to see him?

A. I don't remember.

Q. Or communicated with him?

A. I communicated with him.

Q. And you retained Mr. Connolly for him?

A. Why, I don't remember whether I went to Mr. Connolly alone, or with Mr. Hancock or Mr. Wemple or Mr. Lord.

Q. But it was the people up here that went to Mr. Connolly?

A. Yes, sir.

Q. Mr. Bishop did not go to him?

A. I don't think so.

Q. Will you not swear Mr. Bishop knew—will you deny that all of these proceedings were taken for the purpose of getting into the United States court, and securing the appointment of receiver for yourself?

A. They were taken for the purpose of getting into the United States court, unquestionably.

Q. And getting yourself appointed receiver?

A. My interest was naturally to get myself appointed.

Q. And you knew that Mr. Bishop was not a holder of a certificate of stock upon which he had paid \$2,000?

A. Why, certainly.

Q. Does the item of \$195 appear in any other item?

A. It does not seem to be posted; it has a check mark in place of showing the page to which it is posted.

Q. What paid up stock does this \$195 refer to?

A. The only certificate of paid up stock that was ever issued to me was certificate No. 2022, which appears here in the prepaid installment record under date of January 1, 1901.

Q. In that prepaid installment record marked No. 1?

A. Yes.

Q. Will you read what appears there, Mr. Aldrich?

A. The Michigan Savings & Loan Association of Detroit, Michigan, printed; in pencil, F. B. W.; printed, pre-

paid installment stock; printed, certificate number; written, 2022; printed, date; written, January 1, 1901; printed, number of shares; written, 3; printed, name; written, Ralph L. Aldrich; printed, amount; written, \$195; printed, address; written, Detroit, Michigan. Then there are spaces for pasting on coupons, numbered from 1 to 40.

Q. Do you know what F. B. W. stands for there?

A. Why, I fancy that is left for the agent's name, although I don't know definitely.

Q. You did not actually pay \$195, did you, Mr. Aldrich, in cash?

A. I did not pay it in cash, but I paid it in the way of bills for services.

Q. It was credited to you upon services?

A. Yes, sir, for which they owed me.

Q. Did you hand in a written account for those services?

A. I think so; it was my practice always.

Q. Is that account among any papers of the Association?

A. Well, I never looked for it; it may be.

Q. While you were receiver, you did not find it?

A. I never looked through those entries; never had any occasion to look through the vouchers for paid bills there, except for some special ones, perhaps. I never went through them generally.

Q. \$195 was not the total of your services at that time?

A. No, sir; at the time I got that certificate, I got some money, but I do not remember how much now.

Q. The professional services that you refer to at this time is the item marked salary, \$302.16?

A. Why, I presume so, although I don't remember the amount; I know that I rendered no bill to them or received anything from them as late as March 26.

Q. Now, taking up the next item, profit and loss: R. L. Aldrich, salary, \$302.16, posted as page 1 of the ledger accounts?

A. That appears here.

Q. That is in this same loose leaf ledger?

A. Yes, there is a charge to profit and loss of \$302.16.

Q. On March 27, 1901?

A. On March 27, 1901. I presume that was a bill I rendered for services, although it was not on that date, because I am certain that I never rendered no bills and got no money after the—I know that I got none after Mr. Lord went in there and I think that was after Mr. Lord went in there.

Q. Opposite that item there is a reference to page 216 on the cash book, is there not?

A. Yes, sir.

Q. The next item is a credit item, ledger accounts: R. L. Aldrich, \$195?

A. That goes into the paid up stock account.

Q. Is it also credited to paid up stock?

A. Yes.

Q. And that is simply checked and not posted up to any particular page, is it?

A. No, I think they had no paid up stock account. This column here represented there paid up stock account; that is my recollection.

Q. I call your attention to book marked Transfer Stock Ledger of the Michigan Savings & Loan Association, being a loose leaf ledger, and to a certain sheet there which has up in the right hand corner No. 20022. Will you read what appears there, Mr. Aldrich?

A. The Michigan Savings & Loan Association, Detroit, Michigan; printed, No. 3; written, 2022; printed, date of certificate and period; printed, name; written, R. L. Aldrich; printed, number of shares; written in pencil, 3; printed, address; written, Detroit, Mich.; in the entry column, paid up, and under the head, date payment received, 3-27-1901; under heading, monthly dues, \$195.00.

EXHIBIT 17.

GEORGE LORD, being duly sworn as a witness on behalf of the complainant, testified as follows:

EXAMINED BY MR. PAINE:

Q. Mr. Lord, you were one of the defendants in the case of Edward W. Bishop against the Michigan Savings & Loan Association and George Lord?

A. I believe I am.

Q. I show you the answer filed in that case, purporting to be signed by you, and ask you if that is your signature?

A. It is, yes, sir.

Q. Now, how and when was your attention called to the Michigan Savings & Loan Association before the appointment of a receiver in this cause?

A. My attention was not called to it at all, Mr. Paine. I went to examine it under the statute.

Q. Your duties under the statute required that you should examine it?

A. Yes, sir.

Q. And without being called there, you went there to examine it?

A. I did.

Q. That was about how long before the receiver was appointed in this case?

A. I was there at the time, conducting the examination.

Q. And how long before had you gone there to examine?

A. Oh, about a week; I was there several days anyway; I could not tell you just how many.

Q. Now, under the statute, as you say, you examined that Association, and what condition did you find its affairs to be in?

A. I found it insolvent.

Q. Now did you discuss with Mr. Wemple or Mr. Hancock, at any of those meetings what was to be done for the concern, or about the corporation and its affairs, and for its stockholders?

A. I told them that the department would have to proceed under the statute; that in the insolvent condition of the Association we would have to call a meeting of the shareholders for the purpose of electing a conservator.

Q. Did they object to that?

A. They did not.

Q. Why was that not finally done?

A. The reason that that was not done, as I understand it, was that if a conservator was appointed in that way the chances would be that a receiver would be appointed in every state where the Association did business; and after a consultation it was decided that it would be better to apply to the federal court for the appointment of a receiver, and have ancillary proceedings in other states, and in that way the assets would be better conserved. I agreed to that, Mr. Paine, and so did the attorney-general.

Q. You told Mr. Wemple and Mr. Hancock that the Association would have to stop doing business?

A. I stopped them doing business as soon as I found it was insolvent—took charge of the office.

CROSS-EXAMINATION BY MR. MOODY.

Q. You know, Mr. Lord, that the proper method, if the examiner found the condition of the Association to

be such that it could not properly proceed with its business, that the secretary of state should, upon the report of the examiner, convene a special meeting of the stockholders, and take steps to have a conservator appointed?

A. I did.

Q. And you told the officers that that was the method that would have to be followed?

A. Yes, sir, I did.

Q. And you know now that that was the law?

A. I do, absolutely; and I will state further, Mr. Moody, that that was one of the reasons of my statement to the officers that a conservator would have to be appointed—one of the reasons, as I understood it at that time, that there was such haste in the appointment of a receiver by the federal court.

Q. You understand, however, that they were going to try and get somebody to file a bill in the United States court, to give that court jurisdiction in this case?

A. I didn't understand that they were going to try to get somebody; I understood they had somebody.

Q. They had somebody?

A. Yes, who would ask for the appointment as receiver—

Q. And you had actual charge of this office at the time this proceeding was taken?

A. I did.

Q. And you had already found that the corporation was not in position to continue its business?

A. I did.

EXHIBIT 18.

Friday, January 22, 1909, 9:30 A. M., met pursuant to adjournment.

Thomas F. Hancock, a witness produced by the complainant, being duly sworn, testified as follows:

Q. Now, Mr. Hancock, I show you the answer of the Michigan Savings & Loan Association in this cause, and call your attention to your signature, and ask you if that is your signature?

A. That is my signature.

Q. How long prior to the filing of this bill in this cause had you come to the conclusion that the corporation was insolvent?

A. Well, I supposed that the Association was solvent until after the Galveston flood and that loss there—I was under the impression that the Association would not be able to stand so heavy a loss as that, and from that time on only I perhaps thought that the Association was not solvent; but I did not know at that time because we did not know what our assets were—what we would realize on them.

CROSS-EXAMINATION BY MR. MOODY.

Q. As I understand you, Mr. Hancock, at the time, just prior to the time a receiver was appointed, Mr. Wemple and yourself and Mr. Ives were giving active attention to the Association?

A. Yes, sir.

Q. There were other directors at that time who did not always attend?

A. Why, I think there were other directors at that time.

Q. You stated to Mr. Paine that you thought you had authority to sign this answer, but there had not been any meeting of any kind to authorize it?

A. I don't recall that there was a directors' meeting.

Q. No formal directors' meeting to authorize it?

A. No.

Q. Is it true that this was delivered to you by Mr. Aldrich, and he told you it was all right?

A. I would not like to say positively that that was so. But the natural supposition is that if Mr. Aldrich was representing the Association at that time, that he would be the one to request me to sign legal documents of that character.

Q. How long had Mr. Lord been there before the bill was filed, do you know?

A. I think he had been there several days; I don't recall how long; some time.

Q. Was he in charge of the office?

A. I think Mr. Lord was; I think the office was turned over to Mr. Lord.

Q. Turned right over to Mr. Lord?

A. That is my recollection.

Q. You are not familiar with legal proceedings, and you relied wholly upon Mr. Aldrich for such advice, did you not, at that time?

A. Well, at that time he was the only one that I recall now as acting as attorney for the Association.

Q. He acted for the Association for some time prior to that, did he not?

A. Yes.

Q. Did you tell anybody how to make up this answer yourself?

A. I didn't.

Q. The first time you saw that, it was handed to you by somebody to sign, was it not?

A. Yes, sir.

Q. And to the best of your recollection that was Mr. Aldrich?

A. That is as I recall it.

Q. It was from Mr. Aldrich that you received it?

A. Well, I will simply state that this is as I remember it now—that Mr. Aldrich was the attorney, and acting for the Association at that time, and would be the natural one to come to me and request me to sign any documents that was necessary at that time. That is the only way that I can put it.

Q. Was there any meeting of the board of directors at which a resolution was passed authorizing the employment of DeForest Paine as solicitor for the Association?

A. I don't recall that.

Q. Did you personally ever make a contract with Mr. Paine to become attorney for the Association?

A. Well, I don't think I ever did.

Q. Never agreed on compensation or anything of that sort with him?

A. No, I never did.

Q. Did you know when you signed this paper that he was representing the Association, and that his name would be signed to it as of counsel?

A. I think that I can recall that Mr. Paine was.

Q. You think that you can recall that you knew it at that time?

A. I can recall that Mr. Aldrich, I think, had mentioned that he intended to employ him as attorney, perhaps for himself—for the receiver.

Q. At any rate, you did not go out personally for your own purposes and employ Mr. Paine yourself?

A. I didn't.

Q. And you don't know how he came to be employed?

A. Yes, I think he came to be employed by Mr. Aldrich; that is my recollection of it; that is the way I supposed it to be.

Q. And your statement that you thought you had authority to sign this was simply your idea from what legal advice you got from Mr. Aldrich, was it not?

A. Why, I supposed that at that time, that any document that had to be signed by an officer of the Michigan

Savings & Loan Association would have to be signed by the vice president. I signed it as vice president, presuming that, of course, I was doing the proper thing.

EXHIBIT 19.

(Title of Court and Cause.)

To the Honorable Judges of the Circuit Court of the United States for the Eastern District of Michigan, In Equity:

Your petitioner, Henry A. Cleland, of the City of Detroit, in said District, respectfully represents:

1

That he is a shareholder of said Michigan Savings & Loan Association, holding certificates Nos. 450 and 451 for twenty (20) shares of the fixed dividend stock, for which there was paid said Association the sum of Two thousand dollars; that, on or about April 23, 1902, an order was entered in said cause requiring that all persons who claimed that said Association was indebted to them, or that they were interested in the distribution of its assets as creditors or stockholders, should make proof of their claims before Walter S. Harsha, Esq., as special master, on or before November 1, 1902, to whom it was referred to take such proofs and report upon the same; that, in pursuance of such order, your petitioner on or about May 29, 1902, filed with said special master due proof of his said claim as a stockholder; that, on or about June 24, 1905, said special master made report to this court of the amounts due stockholders, in which said report was included the claim of your petitioner at the sum of Two thousand dollars (\$2,000); to which said order, proof of claim, and report of said special master thereon, all of which are on file in said cause, for greater certainty reference is hereby made.

2.

That, on or about December 5, 1905, your petitioner, with other stockholders, filed a petition in said cause praying for the removal of the then Receiver, Ralph L. Aldrich, and for other relief; and thereupon an order was entered on said date requiring said Receiver to answer said petition, as shown by the records and files of this court in said cause, and among other things your petitioner with such other stockholders filed their petition

herein praying for an order requiring said Receiver to testify upon the hearing of said petition for his removal, which said last named petition was duly argued and submitted; that thereafter said Receiver's report coming on before said Walter S. Harsha, Esq., special master, to be heard, the solicitors for your petitioner and such other stockholders appeared and cross-examined said Receiver, from which examination it appeared necessary for a new Receiver to be appointed to take charge of the affairs of said Association, which proceedings were duly reported to this court by said special master by a report in writing filed in this cause; that thereafter, on or about October 23, 1906, your petitioner and such other stockholders filed their petition herein praying that a co-receiver be appointed to receive from said Ralph L. Aldrich all of the property and assets of said Association, and to have and control the management of its affairs in place of said Ralph L. Aldrich; and that thereupon, on said last named date, an order was entered herein appointing Matthew B. Whittelsey as such co-receiver, directing him to take possession and control of all the assets of said Association; and your petitioner is informed and believes that said Matthew B. Whittelsey has since said date had and now has control and possession of all the assets of said Association.

3.

That your petitioner is lately informed, and charges the fact to be, that said Edward W. Bishop, upon whose bill of complaint proceedings in this cause were originally instituted, was neither then nor at any time a lawful stockholder of said corporation; that he never invested a dollar in the stock of said corporation, but consented to file said bill of complaint upon the personal solicitation of Ralph L. Aldrich, who caused to be issued to said Edward W. Bishop certificate No. 8605 for 20 shares of the installment stock in series 134, bearing date January 1, 1901, said shares purporting to be of the value of one hundred dollars each, when payment and profits should reach that amount; that said certificate was obtained by said Ralph L. Aldrich from the then officers of said Association, Thomas F. Hancock, vice-president, and F. B. Wemple, secretary, without any payment whatever therefor; that the same was not delivered to said Bishop by said Aldrich until about the time of the execution of said bill of complaint, on the 27th day of March, 1901; that no payments were ever made to said Association on account of said stock issued

to said Bishop prior to the execution of said bill of complaint, but, as appears from the books of said Association, on page 219 of the cash book thereof, on April 1st, 1901, there was paid \$10.00 on account of said stock, \$1.00 for expense and \$9.00 credit on stock; that said payment if ever made was not made by said Bishop.

4.

Your petitioner further shows on information and belief that said Ralph L. Aldrich caused to be issued to himself certificate No. 20,022 for three (3) shares of prepaid installment stock of the par value of maturity of three hundred dollars (\$300.00), dated on its face January 1, 1901, and on the back thereof March 1, 1901, but that the only payment for the same shown on the books of said corporation appears under date of March 27, 1901, upon which date there is credited to Ralph L. Aldrich as salary \$417.84 and charged to him \$195.00 on account of such certificate; but your petitioner alleges on information and belief that said Aldrich never actually paid anything for such certificate of stock; that said Aldrich in order to further qualify the said Edward W. Bishop to act in behalf of said Aldrich in filing the bill of complaint in this cause, on or about the date of the execution of said bill of complaint by said Bishop, to-wit: March 27th, 1901, assigned said certificate for three (3) shares to said Bishop by endorsing an assignment upon the back thereof, and delivering the same to said Bishop, said Bishop paying no consideration whatever therefor.

5.

Your petitioner further shows that the by-laws of said Association then in force provided as follows:

Section 15, Membership.

Persons desiring to become shareholders of this Association must make application according to the form provided for that purpose by the Association, pay a membership fee of one dollar per share and agree to be governed by the by-laws of this Association and such other rules and regulations as may be adopted.

Section 16, Membership Contract.

The application for membership, the by-laws and certificate form the contract between the members and the Association.)

Section 23, Transfer of Stock.

Stock may be transferred by paying a fee of \$1.00 and having the transfer accepted by the

Secretary at the home office. At the death of any member, his legal representative will be given the right to continue such stock to maturity, without paying the usual transfer fee, or shall be entitled to receive the withdrawal of such if not pledged to the Association for a loan.

And your petitioner shows, on information and belief, that said by-laws were not complied with as to either of said certificates, that no application was signed, nor was any membership fee paid, nor was any transfer made by the Secretary or transfer fee paid. And your petitioner shows on information and belief that said certificates were issued and assigned to said Bishop for the sole purpose of qualifying him as complainant to begin this action in this court.

6.

Your petitioner further shows on information and belief that said Bishop did not have any knowledge of the facts set forth in said bill of complaint signed by him, except such information as was given to him by said Ralph L. Aldrich; that he did not know and had no relations whatever with counsel who appeared as solicitor for said complainant in said cause, never engaged or paid such counsel for his services rendered therein, but that he executed the papers presented to him by said Aldrich for commencement of this suit at the request of said Aldrich, and for the purpose of enabling said Aldrich to obtain an appointment from this court as Receiver for said Association.

7.

Your petitioner further represents on information and belief that said Ralph L. Aldrich was at the time of filing the bill of complaint by said Edward W. Bishop, and had been for some time prior thereto, acting as attorney and counselor for the Michigan Savings & Loan Association, as appears by the accounts upon the books of said Association, and for some time prior thereto had received compensation for such service, and that one of the officers of said Association at that time, Thomas F. Hancock, vice-president, who signed the answer filed in said cause in behalf of the corporation, did so upon the advice and instruction of said Ralph L. Aldrich; that said proceedings were not authorized by the board of directors; that said Thomas F. Hancock, vice-president, had no authority to execute said answer but did so

at the direction of said Aldrich, and without knowing the effect thereof; that said proceedings were taken by said Aldrich without convening the board of directors of said Association or consulting the interest of the stockholders of said corporation.

8.

Your petitioner further shows on information and belief that, at the time the proceedings were taken in this court in said cause, the Secretary of State, of the State of Michigan, had sent Mr. George Lord, representing the State, to examine the said Michigan Savings & Loan Association, and in accordance with the statutes in such case made and provided he had taken charge of the assets and affairs of said corporation; that, as appears by the answer of said Lord filed in said cause, he consented to the appointment of a receiver. Your petitioner is advised that it was the duty of the Secretary of State at that time, and of his representative George Lord, after having taken charge of the assets and affairs of said corporation, under the then existing circumstances, in accordance with the laws of this State (especially Act No. 17 of Public Acts of the State of Michigan of 1901), to convene a special meeting of the shareholders for the purpose of considering and acting upon the examiner's report of the affairs and condition of said Association as found by him from his examination thereof, and that such shareholders might resolve to go into liquidation, and for that purpose elect from among their own number a conservator charged with the proper distribution of the assets of said Association, the discharge of all liabilities and the final closing up of the affairs of said Association; but, instead of performing the duties so prescribed by statute, said George Lord filed his answer as above set forth and abandoned the assets of said corporation to said Aldrich.

9.

Your petitioner charges that said suit in this court was not a bona fide proceeding by a stockholder of said Association; that said Bishop had no interest in said Association; that there was no real controversy between him and said Association; and said Bishop was collusively made a party complainant for the purpose of invoking the jurisdiction of this court; and further, that at the time of the pretended issue and transfer of said certificates, and at the time of commencement of this suit, said Aldrich and said Michigan Savings and Loan Asso-

ciation were citizens of the State of Michigan, and the sole ground for invoking the jurisdiction of this court was the diversity of citizenship existing between said Association and said Bishop, who was a citizen of the State of Indiana.

10.

Your petitioner is informed that, on or about January 18th, 1909, the directors of said Association, having recently discovered the collusive manner in which the jurisdiction of this court was invoked in this cause, filed a petition in the Circuit Court for the County of Wayne, State of Michigan, under the statute providing for voluntary dissolution of corporations, asking among other things that a receiver be appointed to make application to this court for the assets of said Association; and that thereafter, on or about January 21st, 1909, said directors filed in this court a petition for leave to intervene in this cause for the purpose of filing a petition thereto attached setting forth the collusive manner of invoking the jurisdiction of this court, and asking that said suit be dismissed; upon the filing of which petition an order to show cause was entered directed to Matthew B. Whittelsey, co-receiver.

11.

That, on or about the 23rd day of January, 1909, said co-receiver, Whittelsey, and said receiver, Aldrich, filed a petition in this court praying for an order in this cause enjoining the prosecution of the proceedings in the Circuit Court for the County of Wayne and that the parties thereto be punished for contempt of this court in taking such proceedings; and thereupon this court entered an order directed to such parties and their solicitors to show cause why they should not be restrained and punished for contempt as prayed for in said petition of said Receivers, and entered a further order vacating the prior order to show cause entered upon the petition of said directors to intervene and striking said petition from the files.

12.

That thereafter, on or about February 8th, 1909, said petition of said Receivers came on to be heard, answers being filed in behalf of defendants thereto, whereupon an order was entered herein referring to Walter S. Harsha, Esq., as special master, the matter of the alleged

contempt on the part of said directors, and others, in taking said proceedings in the Circuit Court for the County of Wayne; that under such order of reference on or about February 11, 1909, in behalf of said Receivers, there was taken by deposition the testimony of said complainant, Edward W. Bishop, at Muncie, Indiana, which deposition has been returned and is on file in this court, from which it appears that, just prior to the signing of the bill of complaint in said cause, said Aldrich called up said Bishop by long distance telephone and told him that Receiver was about to be appointed for said Association and that he (Aldrich) wanted to be such Receiver, that it required a citizen outside of the State of Michigan to make the complaint, and that said Bishop would not be running any risk whatever; that said Bishop was an old friend of said Aldrich and as a friend was glad to help him get the position, as he expected it would be a good one; that immediately thereafter said Aldrich went down to Muncie and brought with him the certificates of stock and the bill of complaint; that the two certificates were handed to said Bishop before he signed the bill, either on the same day or the day before, as he had to have them in his possession beforehand, so as to be in a position to sign the bill; it being agreed that there would be no liability on the part of said Bishop whatever; that said Aldrich informed him at the time that an official of the State of Michigan had declared the Association insolvent; that said Bishop did not go to Detroit in connection with the matter, did not have any talk or correspondence with the attorney who represented him, but whatever was done in connection with the case was done by said Aldrich; and said Bishop paid nothing whatever for either of the certificates of stock, the consideration for his receiving the same being to qualify him to sign the bill of complaint, because he was a non-resident of the State of Michigan; that, since he signed the bill of complaint, he has taken no further action of any kind, and had not even made an attempt to prove his claim upon such stock; and complainant stated that his action was purely out of friendship for said Aldrich.

13.

Petitioner further shows that, on or about January 16, 1909, Ralph L. Aldrich, being examined as a witness before Walter S. Harsha, Esq., special master, in the dependent cause herein, entitled Ralph L. Aldrich vs. John E. Clark, et al, testified that he had been acting

as counsel for the Association for about a year prior to the filing of the bill of complaint; that Edward W. Bishop consented to sign the bill of complaint at his request; that he knew at the time that said Bishop was not a holder of stock on which he had paid two thousand dollars, as set forth in said bill; that he assigned the three shares of prepaid installment stock to Bishop without consideration; that these proceedings were taken for the purpose of getting into the United States Court and getting himself appointed Receiver; that he could not remember whether he had given Mr. Bishop an indemnity in writing against any possible expense or cost or liability for filing the bill of complaint but he had no doubt he would have done so if said Bishop had asked him to do so; a transcript of which testimony is on file with said Walter S. Harsha, Esq.

14.

Petitioner further shows that George Lord, one of the defendants in the above entitled cause, being examined as a witness before said special master, in the same dependent cause herein, on or about January 26, 1909, testified that, at the time of the filing of the bill of complaint in this cause, and for a number of days prior thereto, he had been in charge of said Association as representing the Secretary of State of the State of Michigan; that he had gone to examine the Association in accordance with the statute of the State of Michigan, and found the same insolvent; that he conferred with the directors and told them that the Department of State would have to proceed under the statute of the State of Michigan and call a special meeting of shareholders for the purpose of electing a conservator; that he stopped them from doing business and took charge of the office; that an objection was made to this proceeding and he understood they had somebody to file a bill in the United States Court, and because he was about through with his examination and would have to make an immediate report, whereupon the statutory proceeding for the election of a conservator would have to be taken, the proceedings to get a Receiver appointed in this court were hurried before his report should be made; a transcript of which testimony is on file with said Walter S. Harsha, Esq.

15.

Your petitioner further shows that Thomas F. Hancock, being examined as a witness before said special

master in said dependent cause herein, on January 26, 1909, testified that George Lord had been in charge of the Association several days before the filing of the bill of complaint; that Mr. Aldrich was the only one that he recalled as being an attorney for the Association at that time; that he did not himself make up the answer which he signed for said Association but he believed the same was handed to him by Mr. Aldrich; that he did not himself employ counsel to represent the Association; that he did not recall that there was any meeting of the board of directors authorizing such employment, but to the best of his recollection such counsel was employed by Mr. Aldrich; that it was through Mr. Aldrich that Mr. Conely was employed to file the bill of complaint; that he was in Mr. Conely's office at one time with Mr. Aldrich; that he, the witness, came over to the United States Court with Mr. Aldrich for the purpose of naming Mr. Aldrich as Receiver of said Association; a transcript of which testimony is on file with said Walter S. Harsha, Esq.

16.

Petitioner further shows that, in the petition of said Receivers for injunction against said proceedings in the Circuit Court for the County of Wayne, it is stated: "said Edward W. Bishop was appealed to, the said Receiver, Aldrich, avers, and the said Receiver, Whittelsey, on belief, because he was an old acquaintance of the said Aldrich, easily accessible, and more readily reached than any other non-resident stockholder, and for that purpose was qualified by the issue of said certificate to him."

All of which matters and things hereinbefore stated are found in the files, records and proceedings of this court in this cause, and in the cause dependent thereon entitled Ralph L. Aldrich, Receiver, vs. John E. Clark, et al; to which records, files, testimony and proceedings, so far as the same refer to the matters herein set forth, for greater certainty reference is hereby made, and the same are made a part of this petition.

17.

Your petitioners advised by counsel that, from the facts hereinbefore set forth and so appearing from the records of this court, it is apparent that this suit does not and did not at the time it was commenced really and substantially involve a dispute or controversy properly within the jurisdiction of this court, and that the parties to this cause have been improperly and collusively made

and joined for the purpose of creating a cause cognizable under the acts of Congress; that this court, in accordance with the act of Congress, in such case made and provided, should proceed no further herein, but should dismiss the same and make such further order in regard to the costs occasioned thereby as shall be just.

18.

Your petitioner further shows that there are various proceedings in this cause and connected therewith in this court pending, which involve expense to the funds of said Association, as appears from the records and files of this court, and that it is to the interest of your petitioner and all other stockholders interested in said fund that the question of the jurisdiction of this court to proceed further, in view of the facts appearing as hereinbefore set forth, should be at once determined, and in the meantime that all other proceedings aside from a determination of such question of jurisdiction should be stayed.

WHEREFORE YOUR PETITIONER PRAYS:

(a) That all proceedings of every character in this cause or connected therewith be stayed pending the determination of the jurisdiction of this court to proceed further herein.

(b) That this court take no further proceedings under the bill of complaint herein, but dismiss all such proceedings, discharge said Receivers, and order the assets of said Association turned over to the officers thereof, or to such persons as may be lawfully entitled thereto under the laws of the State of Michigan; and that such order in regard to costs may be entered as shall be just.

(Sgd.) HENRY A. CLELAND.

PAUL B. MOODY,

Solicitor for Petitioner.

WILLIAM L. CARPENTER,

Of Counsel.

STATE OF MICHIGAN, }
COUNTY OF WAYNE. } ss:

On this 12th day of March, 1909, before me, a notary public in and for said county, personally appeared Henry A. Cleland, to me known to be the person described in and who executed the foregoing instrument, who, being duly sworn, says that he has read the same and knows

the contents thereof, and that the same is true, except as to those matters stated to be upon information and belief, and as to such matters he believes it to be true.

KATE F. SWAN,
Notary Public, Wayne County, Michigan.

EXHIBIT 20.

(Title of Court and Cause.)

At a session of the Circuit Court of the United States for the Eastern District of Michigan, Southern Division, in Equity, held this 30th day of March, 1909.

Present: Hon. Henry H. Swan, District Judge.

On reading and filing the petition of Henry A. Cleland praying that the above entitled cause be dismissed, and for other relief, it is hereby ordered that said petition be set for hearing at the opening of court on Monday, April 19th, 1909, and that notice of such hearing be served upon De Forest Paine, counsel for the receiver in this cause, at least four days before such date.

HENRY H. SWAN,
District Judge.

EXHIBIT 21.

(Title of Court and Cause.)

At a session of the Circuit Court of the United States for the Eastern District of Michigan held at the District Court room in the City of Detroit on the twenty-second day of January nineteen hundred and ten.

Present: Honorable Henry H. Swan, District Judge.

The petition of Henry A. Cleland filed in this cause March 30th, 1909, praying for the stay of all proceedings herein and for the dismissal of all proceedings under the bill of complaint herein, the discharge of the receivers appointed herein, for an order that said receivers turn over the assets of said The Michigan Savings & Loan Association to the officers thereof, and for other relief, coming on to be heard, was argued by Paul B. Moody and Mr. Charles D. Joslyn for said petitioners and Mr. De Forest Paine for said receivers, and submitted to the court for judgment and the same and the arguments of

counsel having been duly considered, it is by the court now here ordered that the said petition of Henry A. Cleland be and the same is hereby denied with cost to be taxed in favor of said receivers.

HENRY H. SWAN,
District Judge.

EXHIBIT 22.

(Title of Court and Cause.)

At a session of the Circuit Court of the United States for the Eastern District of Michigan held at the District Court room on the twenty-second day of January nineteen hundred and ten.

Present—Honorable Henry H. Swan, District Judge.

Said motion coming on to be heard on January 17, 1910, was argued by Mr. Paul B. Moody in support thereof and Mr. De Forest Paine in opposition thereto, and the court having denied the petition of said Henry A. Cleland filed in this cause March 30, 1909, it is by the court now here ordered that said motion be and the same is hereby denied.

HENRY H. SWAN,
District Judge.

EXHIBIT 23.

(Title of Court and Cause.)

In the matter of the petition of De Forest Paine, counsel for the Receiver, for an allowance for disbursements and services in said cause.

And now comes Corliss, Leete & Joslyn, solicitors in said cause, and object to all proceedings upon said petition by the Special Master, upon the grounds:

First. Because it conclusively appears from the deposition of said complainant, Edward W. Bishop, on file in said cause, the records and books of said defendant corporation and the testimony of Frank L. Aldrich, former Receiver, in the dependant case between the said Receiver and John E. Clark et al., that the jurisdiction of said court was improperly, collusively and illegally invoked in violation of Section 5 of the act of March 3rd, 1875, and amendments thereof, of the United States statutes.

Second. Because it conclusively appears from the evidence in said cause that said complainant, Edward W. Bishop, never was a stockholder of said defendant corporation, never had any interest therein and that the parties to said suit were improperly and collusively made and joined for the purpose of creating a case cognizable under the statutes of the United States, the court should proceed no further therein but shall dismiss the same in accordance with Section 5 of the act of March 3rd, 1875, as amended, of the statutes of the United States.

Third. Because proceedings to determine the jurisdiction of said court in said cause have already been submitted and heard by the court and under the act aforesaid, the facts being undisputed, the court should proceed no further therein.

Fourth. Because the Special Master, Honorable Martin J. Cavanaugh, clerk of said court, having in his possession the depositions, record and testimony above mentioned conclusively establishing the facts, and it appearing therefrom that the jurisdiction of said court was improperly and collusively invoked, should, in obedience to the act of Congress above mentioned, proceed no further therein.

CORLISS, LEETE & JOSLYN,
Solicitors for Defendant.
Frank O. Waldo and others.

EXHIBIT 24.

At a session of said court continued and held at the court room in the City of Detroit, Michigan, on the 24th day of January, A. D. 1910.

Present—Hon. Henry H. Swan, District Judge.

The petition of De Forest Paine for an allowance on account of services and disbursements in the Receiver's behalf having been heretofore referred to Martin J. Cavanaugh, Special Master, to take proofs thereon and report the same to the court with his opinion, and it appearing from the record and the affidavit of De Forest Paine heretofore filed that objections to the jurisdiction have been filed with the Master by certain parties who give out that it is the intention to swear twenty witnesses in their behalf in said proceeding; and it appearing that no answer or other pleading to said petition has been filed or served; and it further appearing that said petitioner has sworn two witnesses as to the extent and nature of

his services, one besides himself, and four besides himself as to the money value thereof.

Now, on motion of said petitioner, and after hearing the petitioner in his behalf and Mr. John B. Corliss in behalf of the contestants. Ordered that the issue on said petition be and it is the extent, nature and value of the services rendered and the amount of the disbursements made in behalf of the receivers during the period of petitioner's employment as counsel, viz., from December 2nd, 1901, to October 27th, 1909, the date of the filing of his petition, and that the testimony be confined to that issue and period; it is further ordered, that the contestants have leave to swear five witnesses as to the nature and extent of such services and disbursements and that both parties be and they are hereby limited to five expert witnesses each as to the money value of such services.

If the petitioner shall desire to call witnesses in rebuttal the number will be fixed on application to the court; the right to apply being hereby given, except that two may be sworn by him without such application.

On said petition and objections the jurisdiction of the court will not be the subject of inquiry, and the objections to the jurisdiction filed on said petition are stricken from the files and records of the court.

HENRY H. SWAN,
Judge.